

**CONFERENCE COMMITTEE REPORT
DIGEST FOR ESB 327**

Citations Affected: IC 6-1.1; IC 20-14-13-10; IC 21-2-15-9.

Synopsis: Taxation. Provides that special integrated steel mill equipment property tax valuation applies only if the mill produces steel in a blast furnace in Indiana. Delays the next general reassessment of real property by two years and requires general reassessments every five years thereafter. Delays until 2006 implementation of annual adjustments of real property tax assessments. Directs the department of local government finance (DLGF) to adjust its guidelines used to determine the annual adjustment for agricultural land. Amends the factors to be included in the annual adjustment rule of the DLGF. Sets an agricultural land base rate of \$880 per acre for property tax assessments in 2005 and 2006. Allows assessors to employ professional appraisers to assist with annual adjustments. Requires the DLGF to: (1) review and certify annual adjustments; (2) establish local deadlines in the determination of annual adjustments; (3) provide training to assessors and county auditors in the verification of sales; (4) approve a determination by assessors to not employ a professional appraiser for a general reassessment; and (5) adopt rules for the establishment of a statewide uniform and common property tax management system. Allows the DLGF to take over local assessment, reassessment, or annual adjustment activities after giving at least 60 days notice if it determines that the activities are not being performed properly. Allows the county assessor and the township assessors in the county to vote to abolish the county land valuation commission. Requires payment for state conducted assessment or reassessment activities from the county property reassessment fund and establishes a schedule of levies for that fund. Provides that the DLGF does not prescribe computer specification standards for the certification of computer operating systems. Allows the filing of an assessment registration notice with the county assessor or the area plan commission. Renames the assessment training fund the assessment training and administration fund, extends for six years the \$10 sales disclosure form filing fee, requires deposit of 40% of the revenue from the fee in that fund instead of the state general fund, and allows the Indiana board of tax review to use money in the fund to conduct appeal activities. Requires additional information on the sales disclosure form. Applies sales disclosure requirements to property exempt from property taxes. Adjusts requirements for notice by the DLGF to taxpayers objecting to local budgets and levies. Requires the DLGF to conduct its review of local government budgets by fund, except for budgets for school and library capital projects funds. Provides that the term of a member of the property tax assessment board of appeals is one year. Directs the department of state revenue to withhold state property tax

replacement fund distributions to counties for various reasons. Allows a school corporation to repay a rainy day fund loan from the school corporation's debt service fund. Prohibits an appraiser or a technical advisor that contracts with a township or county from representing taxpayers in the county, but allows representation with respect to an issue of a taxpayer after the contract term if the appraiser or technical advisor was not directly involved with the issue of the taxpayer while under contract. Authorizes a refund of property taxes paid by an exempt sorority that meets certain criteria. Authorizes a nonprofit youth soccer organization to claim retroactive property tax exemptions and refunds for property taxes paid in 2003 and 2004. Authorizes certain religious institutions to claim missed property tax exemptions retroactively. Authorizes retroactive property tax exemption for certain nonprofit entities established for the purpose of retaining and preserving land and water for their natural characteristics. Establishes a procedure for resolution and appeal of property tax abatements. **(This conference committee report: (1) deletes the requirement to phase in over five years the annual adjustment of the assessed value of real property for property taxes payable in 2007; (2) deletes the statutory formula for the DLGF to set the agricultural land base rate and directs the DLGF to adjust its guidelines used to determine the annual adjustment for agricultural land; (3) adds the requirement for the DLGF to give at least 60 days notice before taking over local assessment, reassessment, or annual adjustment activities; (4) applies the sales disclosure filing fee to property exempt from property taxes; (5) extends the \$10 sales disclosure form filing fee for six years instead of four years; (6) adds the requirement that the DLGF conduct its review of local government budgets by fund; (7) deletes the requirement for the DLGF to publish notice of a taxpayers' petition objecting to local budgets and levies; (8) limits to two years the retroactive property tax exemption for a youth soccer organization; (9) limits to two years the retroactive property tax exemption for a religious institution that acquired the property after December 31, 1999; (10) authorizes retroactive property tax exemption for certain nonprofit entities; and (11) changes dates and makes technical changes in the procedure for resolution and appeal of property tax abatements.)**

Effective: Upon passage; January 1, 2004 (retroactive); July 1, 2005.

Adopted

Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 327 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
2 SECTION 1. IC 6-1.1-1-3.5 IS ADDED TO THE INDIANA CODE
3 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: **Sec. 3.5. "Base rate" means the statewide**
5 **agricultural land base rate value per acre used to determine the**
6 **true tax value of agricultural land under:**
7 (1) the real property assessment guidelines of the department
8 of local government finance; or
9 (2) rules or guidelines of the department of local government
10 finance that succeed the guidelines referred to in subdivision
11 (1).
12 SECTION 2. IC 6-1.1-3-23 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
14 Sec. 23. (a) For purposes of this section:
15 (1) "adjusted cost" refers to the adjusted cost established in 50
16 IAC 4.2-4-4 (as in effect on January 1, 2003);
17 (2) "depreciable personal property" has the meaning set forth in 50
18 IAC 4.2-4-1 (as in effect on January 1, 2003);
19 (3) "integrated steel mill" means a person that produces steel by
20 processing iron ore and other raw materials in a blast furnace **in**
21 **Indiana;**
22 (4) "oil refinery/petrochemical company" means a person that

- 1 produces a variety of petroleum products by processing an annual
 2 average of at least one hundred thousand (100,000) barrels of crude
 3 oil per day;
- 4 (5) "permanently retired depreciable personal property" has the
 5 meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1,
 6 2003);
- 7 (6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in
 8 effect on January 1, 2003);
- 9 (7) "special integrated steel mill or oil refinery/petrochemical
 10 equipment" means depreciable personal property, other than special
 11 tools and permanently retired depreciable personal property:
- 12 (A) that:
- 13 (i) is owned, leased, or used by an integrated steel mill or an
 14 entity that is at least fifty percent (50%) owned by an affiliate
 15 of an integrated steel mill; and
- 16 (ii) falls within Asset Class 33.4 as set forth in IRS Rev. Proc.
 17 87-56, 1987-2, C.B. 647; or
- 18 (B) that:
- 19 (i) is owned, leased, or used as an integrated part of an oil
 20 refinery/petrochemical company or its affiliate; and
- 21 (ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS
 22 Rev. Proc. 87-56, 1987-2, C.B. 647;
- 23 (8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as
 24 in effect on January 1, 2003); and
- 25 (9) "year of acquisition" refers to the year of acquisition determined
 26 under 50 IAC 4.2-4-6 (as in effect on January 1, 2003).
- 27 (b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50
 28 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the
 29 taxpayer's special integrated steel mill or oil refinery/petrochemical
 30 equipment by multiplying the adjusted cost of that equipment by the
 31 percentage set forth in the following table:
- | 32 Year of Acquisition | 33 Percentage |
|------------------------|---------------|
| 34 1 | 40% |
| 35 2 | 56% |
| 36 3 | 42% |
| 37 4 | 32% |
| 38 5 | 24% |
| 39 6 | 18% |
| 40 7 | 15% |
| 41 8 and older | 10% |
- 42 (c) The department of local government finance shall designate the
 43 table under subsection (b) as "Pool No. 5" on the business personal
 44 property tax return.
- 45 (d) The percentage factors in the table under subsection (b)
 46 automatically reflect all adjustments for depreciation and obsolescence,
 47 including abnormal obsolescence, for special integrated steel mill or oil
 48 refinery/petrochemical equipment. The equipment is entitled to all
 49 exemptions, credits, and deductions for which it qualifies.
- 50 (e) The minimum valuation limitations under 50 IAC 4.2-4-9 do not
 51 apply to special integrated steel mill or oil refinery/petrochemical
 equipment valued under this section. The value of the equipment is not

1 included in the calculation of that minimum valuation limitation for the
 2 taxpayer's other assessable depreciable personal property in the taxing
 3 district.

4 (f) An election to value special integrated steel mill or oil
 5 refinery/petrochemical equipment under this section:

6 (1) must be made by reporting the equipment under this section on
 7 a business personal property tax return;

8 (2) applies to all of the taxpayer's special integrated steel mill or oil
 9 refinery/petrochemical equipment located in the state (whether
 10 owned or leased, or used as an integrated part of the equipment);
 11 and

12 (3) is binding on the taxpayer for the assessment date for which the
 13 election is made.

14 The department of local government finance shall prescribe the forms
 15 to make the election beginning with the March 1, 2003, assessment
 16 date. Any special integrated steel mill or oil refinery/petrochemical
 17 equipment acquired by a taxpayer that has made an election under this
 18 section is valued under this section.

19 (g) If fifty percent (50%) or more of the adjusted cost of a taxpayer's
 20 property that would, notwithstanding this section, be reported in a pool
 21 other than Pool No. 5 is attributable to special integrated steel mill or
 22 oil refinery/petrochemical equipment, the taxpayer may elect to
 23 calculate the true tax value of all of that property as special integrated
 24 steel mill or oil refinery/petrochemical equipment. The true tax value
 25 of property for which an election is made under this subsection is
 26 calculated under subsections (b) through (f).

27 SECTION 3. IC 6-1.1-4-4 IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A general reassessment,
 29 involving a physical inspection of all real property in Indiana, shall
 30 begin July 1, 2000, and be the basis for taxes payable in 2003.

31 (b) A general reassessment, involving a physical inspection of all real
 32 property in Indiana, shall begin July 1, ~~2007~~, **2009**, and each ~~fourth~~
 33 **fifth** year thereafter. Each reassessment under this subsection:

34 (1) shall be completed on or before March 1, of the ~~immediately~~
 35 ~~following odd-numbered~~ year **that succeeds by two (2) years the**
 36 **year in which the general reassessment begins;** and

37 (2) shall be the basis for taxes payable in the year following the
 38 year in which the general assessment is to be completed.

39 (c) In order to ensure that assessing officials and members of each
 40 county property tax assessment board of appeals are prepared for a
 41 general reassessment of real property, the department of local
 42 government finance shall give adequate advance notice of the general
 43 reassessment to the county and township taxing officials of each
 44 county.

45 SECTION 4. IC 6-1.1-4-4.5 IS AMENDED TO READ AS
 46 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) The
 47 department of local government finance shall adopt rules establishing
 48 a system for annually adjusting the assessed value of real property to
 49 account for changes in value in those years since a general reassessment
 50 of property last took effect.

51 (b) **Subject to subsection (e)**, the system must be applied to adjust

1 assessed values beginning with the ~~2005~~ **2006** assessment date and each
 2 year thereafter that is not a year in which a reassessment becomes
 3 effective.

4 (c) **The system must have rules adopted under subsection (a) must**
 5 **include** the following characteristics **in the system**:

6 (1) Promote uniform and equal assessment of real property within
 7 and across classifications.

8 (2) Apply all objectively verifiable factors used in mass valuation
 9 techniques that are reasonably expected to affect the value of real
 10 property in Indiana:

11 (3) Prescribe as many adjustment percentages and whatever
 12 categories of percentages the department of local government
 13 finance finds necessary to achieve objectively verifiable updated
 14 just valuations of real property. An adjustment percentage for a
 15 particular classification may be positive or negative.

16 (2) **Require that assessing officials:**

17 (A) reevaluate the factors that affect value;

18 (B) express the interactions of those factors mathematically;

19 (C) use mass appraisal techniques to estimate updated
 20 property values within statistical measures of accuracy; and

21 (D) provide notice to taxpayers of an assessment increase that
 22 results from the application of annual adjustments.

23 (4) (3) Prescribe procedures including computer software
 24 programs; that permit the application of the adjustment percentages
 25 in an efficient manner by assessing officials.

26 (d) **The department of local government finance must review and**
 27 **certify each annual adjustment determined under this section.**

28 (e) **In making the annual determination of the base rate to satisfy**
 29 **the requirement for an annual adjustment under subsection (a), the**
 30 **department of local government finance shall determine the base**
 31 **rate using the methodology reflected in Table 2-18 of Book 1,**
 32 **Chapter 2 of the department of local government finance's Real**
 33 **Property Assessment Guidelines (as in effect on January 1, 2005),**
 34 **except that the department shall adjust the methodology to use a**
 35 **six (6) year rolling average instead of a four (4) year rolling**
 36 **average.**

37 SECTION 5. IC 6-1.1-4-4.7 IS ADDED TO THE INDIANA CODE
 38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 39 UPON PASSAGE]: Sec. 4.7. (a) **For purposes of this section,**
 40 **"assessor" means:**

41 (1) a township assessor; or

42 (2) a county assessor who assumes the responsibility for
 43 verifying sales under 50 IAC 21-3-2(b).

44 (b) **The department of local government finance shall provide**
 45 **training to assessors and county auditors with respect to the**
 46 **verification of sales disclosure forms under 50 IAC 21-3-2.**

47 SECTION 6. IC 6-1.1-4-13.8 IS AMENDED TO READ AS
 48 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.8. (a) As used
 49 in this section, "commission" refers to a county land valuation
 50 commission established under subsection (b).

51 (b) **Subject to subsection (l), a county land valuation commission is**

1 established in each county for the purpose of determining the value of
 2 commercial, industrial, and residential land (including farm homesites)
 3 in the county.

4 (c) The county assessor is chairperson of the commission.

5 (d) The following are members of the commission:

6 (1) The county assessor. The county assessor shall cast a vote only
 7 to break a tie.

8 (2) Each township assessor, when the respective township land
 9 values for that township assessor's township are under
 10 consideration. A township assessor serving under this subdivision
 11 shall vote on all matters relating to the land values of that township
 12 assessor's township.

13 (3) One (1) township assessor from the county to be appointed by
 14 a majority vote of all the township assessors in the county.

15 (4) One (1) county resident who:

16 (A) holds a license under IC 25-34.1-3 as a salesperson or
 17 broker; and

18 (B) is appointed by:

19 (i) the board of commissioners (as defined in IC 36-3-3-10) for
 20 a county having a consolidated city; or

21 (ii) the county executive (as defined in IC 36-1-2-5) for a
 22 county not described in item (i).

23 (5) Four (4) individuals who:

24 (A) are appointed by the county executive (as defined in
 25 IC 36-1-2-5); and

26 (B) represent one (1) of the following four (4) kinds of land in
 27 the county:

28 (i) Agricultural.

29 (ii) Commercial.

30 (iii) Industrial.

31 (iv) Residential.

32 Each of the four (4) kinds of land in the county must be
 33 represented by one (1) individual appointed under this
 34 subdivision.

35 (6) One (1) individual who:

36 (A) represents financial institutions in the county; and

37 (B) is appointed by:

38 (i) the board of commissioners (as defined in IC 36-3-3-10) for
 39 a county having a consolidated city; or

40 (ii) the county executive (as defined in IC 36-1-2-5) for a
 41 county not described in item (i).

42 (e) The term of each member of the commission begins November 1
 43 of the year that precedes by two (2) years the year in which a general
 44 reassessment begins under IC 6-1.1-4-4, and ends January 1 of the year
 45 in which the general reassessment begins under IC 6-1.1-4-4. The
 46 appointing authority may fill a vacancy for the remainder of the vacated
 47 term.

48 (f) The commission shall determine the values of all classes of
 49 commercial, industrial, and residential land (including farm homesites)
 50 in the county using guidelines determined by the department of local
 51 government finance. Not later than November 1 of the year preceding

1 the year in which a general reassessment begins, the commission
2 determining the values of land shall submit the values, all data
3 supporting the values, and all information required under rules of the
4 department of local government finance relating to the determination of
5 land values to the county property tax assessment board of appeals and
6 the department of local government finance. Not later than January 1
7 of the year in which a general reassessment begins, the county property
8 tax assessment board of appeals shall hold a public hearing in the
9 county concerning those values. The property tax assessment board of
10 appeals shall give notice of the hearing in accordance with IC 5-3-1 and
11 shall hold the hearing after March 31 of the year preceding the year in
12 which the general reassessment begins and before January 1 of the year
13 in which the general reassessment under IC 6-1.1-4-4 begins.

14 (g) The county property tax assessment board of appeals shall review
15 the values, data, and information submitted under subsection (f) and
16 may make any modifications it considers necessary to provide
17 uniformity and equality. The county property tax assessment board of
18 appeals shall coordinate the valuation of property adjacent to the
19 boundaries of the county with the county property tax assessment
20 boards of appeals of the adjacent counties using the procedures adopted
21 by rule under IC 4-22-2 by the department of local government finance.
22 If the commission fails to submit land values under subsection (f) to the
23 county property tax assessment board of appeals before January 1 of the
24 year the general reassessment under IC 6-1.1-4-4 begins, the county
25 property tax assessment board of appeals shall determine the values.

26 (h) The county property tax assessment board of appeals shall give
27 notice to the county and township assessors of its decision on the
28 values. The notice must be given before March 1 of the year the general
29 reassessment under IC 6-1.1-4-4 begins. Not later than twenty (20) days
30 after that notice, the county assessor or a township assessor in the
31 county may request that the county property tax assessment board of
32 appeals reconsider the values. The county property tax assessment
33 board of appeals shall hold a hearing on the reconsideration in the
34 county. The county property tax assessment board of appeals shall give
35 notice of the hearing under IC 5-3-1.

36 (i) Not later than twenty (20) days after notice to the county and
37 township assessor is given under subsection (h), a taxpayer may request
38 that the county property tax assessment board of appeals reconsider the
39 values. The county property tax assessment board of appeals may hold
40 a hearing on the reconsideration in the county. The county property tax
41 assessment board of appeals shall give notice of the hearing under
42 IC 5-3-1.

43 (j) A taxpayer may appeal the value determined under this section as
44 applied to the taxpayer's land as part of an appeal filed under
45 IC 6-1.1-15 after the taxpayer has received a notice of assessment. If a
46 taxpayer that files an appeal under IC 6-1.1-15 requests the values,
47 data, or information received by the county property tax assessment
48 board of appeals under subsection (f), the county property tax
49 assessment board of appeals shall satisfy the request. The department
50 of local government finance may modify the taxpayer's land value and
51 the value of any other land in the township, the county where the

1 taxpayer's land is located, or the adjacent county if the department of
 2 local government finance determines it is necessary to provide
 3 uniformity and equality.

4 (k) The county assessor shall notify all township assessors in the
 5 county of the values as determined by the commission and as modified
 6 by the county property tax assessment board of appeals or department
 7 of local government finance under this section. Township assessors
 8 shall use the values determined under this section.

9 **(l) After notice to the county assessor and all township assessors**
 10 **in the county, a majority of the assessors authorized to vote under**
 11 **this subsection may vote to abolish the county land valuation**
 12 **commission established under subsection (b). Each township**
 13 **assessor and the county assessor has one (1) vote. The county**
 14 **assessor shall give written notice to:**

15 **(1) each member of the county land valuation commission; and**

16 **(2) each township assessor in the county;**

17 **of the abolishment of the commission under this subsection.**

18 SECTION 7. IC 6-1.1-4-16 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) For
 20 purposes of making a general reassessment of real property **or annual**
 21 **adjustments under section 4.5 of this chapter**, any township assessor
 22 and any county assessor may employ:

23 (1) deputies;

24 (2) employees; and

25 (3) technical advisors who are:

26 **(A) qualified to determine real property values;**

27 **(B) professional appraisers certified under 50 IAC 15; ~~The~~**
 28 **assessor may employ a technical advisor and**

29 **(C) employed either on a full-time or a part-time basis, subject**
 30 **to sections 18.5 and 19.5 of this chapter.**

31 (b) The county council of each county shall appropriate the funds
 32 necessary for the employment of deputies, employees, or technical
 33 advisors employed under subsection (a) of this section.

34 SECTION 8. IC 6-1.1-4-17 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) Subject to the
 36 approval of the department of local government finance and the
 37 requirements of section ~~18(a)~~ **18.5** of this chapter, a:

38 (1) township assessor; or

39 (2) group consisting of the county assessor and the township
 40 assessors in a county;

41 may employ professional appraisers as technical advisors. **A decision**
 42 **by one (1) or more assessors referred to in subdivisions (1) and (2)**
 43 **to not employ a professional appraiser as a technical advisor in a**
 44 **general reassessment is subject to approval by the department of**
 45 **local government finance.**

46 (b) After notice to the county assessor and all township assessors in
 47 the county, a majority of the assessors authorized to vote under this
 48 subsection may vote to:

49 (1) employ a professional appraiser to act as a technical advisor in
 50 the county during a general reassessment period;

51 (2) appoint an assessor or a group of assessors to:

- 1 (A) enter into and administer the contract with a professional
 2 appraiser employed under this section; and
 3 (B) oversee the work of a professional appraiser employed under
 4 this section.

5 Each township assessor and the county assessor has one (1) vote. A
 6 decision by a majority of the persons authorized to vote is binding on
 7 the county assessor and all township assessors in the county. Subject to
 8 the limitations ~~contained~~ in section ~~18(a)~~ **18.5** of this chapter, the
 9 assessor or assessors appointed under subdivision (2) may contract with
 10 a professional appraiser employed under this section to supply technical
 11 advice during a general reassessment period for all townships in the
 12 county. A proportionate part of the appropriation to all townships for
 13 assessing purposes shall be used to pay for the technical advice.

14 (c) As used in this chapter, "professional appraiser" means an
 15 individual or firm that is certified under IC 6-1.1-31.7.

16 SECTION 9. IC 6-1.1-4-27.5 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27.5. (a) The
 18 auditor of each county shall establish a property reassessment fund. The
 19 county treasurer shall deposit all collections resulting from the property
 20 taxes that the county ~~is required to levy under this section in levies for~~
 21 the county's property reassessment fund.

22 **(b) With respect to the general reassessment of real property that**
 23 **is to commence on July 1, 2009, the county council of each county**
 24 **shall, for property taxes due in 2006, 2007, 2008, and 2009, levy in**
 25 **each year against all the taxable property in the county an amount**
 26 **equal to one-fourth (1/4) of the remainder of:**

27 **(1) the estimated costs referred to in section 28.5(a) of this**
 28 **chapter; minus**

29 **(2) the amount levied under this section by the county council**
 30 **for property taxes due in 2004 and 2005.**

31 ~~(b)~~ **(c)** With respect to a general reassessment of real property that is
 32 to commence on July 1, ~~2007,~~ **2014**, and each ~~fourth~~ **fifth** year
 33 thereafter, the county council of each county shall, for property taxes
 34 due in the year that the general reassessment is to commence and the
 35 ~~three (3)~~ **four (4)** years preceding that year, levy against all the taxable
 36 property in the county an amount equal to ~~one-fourth (1/4)~~ **one-fifth**
 37 **(1/5)** of the estimated ~~cost costs~~ of the general reassessment **under**
 38 **section 28.5 of this chapter.**

39 ~~(c)~~ **(d)** The department of local government finance shall give to each
 40 county council notice, before January 1 in a year, of the tax levies
 41 required by this section for that year.

42 ~~(d)~~ **(e)** The department of local government finance may raise or
 43 lower the property tax levy under this section for a year if the
 44 department determines it is appropriate because the estimated cost of:

45 **(1) a general reassessment; including a general reassessment to be**
 46 **completed for the March 1, 2002, assessment date; or**

47 **(2) making annual adjustments under section 4.5 of this**
 48 **chapter;**

49 has changed.

50 **(e)** If the county council determines that there is insufficient money
 51 in the county's reassessment fund to pay all expenses (as permitted

1 under sections 28.5 and 32 of this chapter) relating to the general
 2 reassessment of real property commencing July 1, 2000; the county
 3 may, for the purpose of paying expenses (as permitted under sections
 4 28.5 and 32 of this chapter) relating to the general reassessment
 5 commencing July 1, 2000; use money deposited in the fund from the
 6 tax levy under this section for 2000 or a later year.

7 **(f) The county assessor or township assessor may petition the**
 8 **county fiscal body to increase the levy under subsection (b) or (c)**
 9 **to pay for the costs of:**

10 **(1) a general reassessment;**

11 **(2) verification under 50 IAC 21-3-2 of sales disclosure forms**
 12 **forwarded to the county assessor under IC 6-1.1-5.5-3; or**

13 **(3) processing annual adjustments under section 4.5 of this**
 14 **chapter.**

15 **The assessor must document the needs and reasons for the**
 16 **increased funding.**

17 **(g) If the county fiscal body denies a petition under subsection (f),**
 18 **the assessor may appeal to the department of local government**
 19 **finance. The department of local government finance shall:**

20 **(1) hear the appeal; and**

21 **(2) determine whether the additional levy is necessary.**

22 SECTION 10. IC 6-1.1-4-28.5, AS AMENDED BY SEA 308-2005,
 23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 UPON PASSAGE]: Sec. 28.5. (a) Money assigned to a property
 25 reassessment fund under section 27.5 of this chapter may be used only
 26 to pay the costs of:

27 (1) the general reassessment of real property, including the
 28 computerization of assessment records;

29 (2) payments to county assessors, members of property tax
 30 assessment boards of appeals, or assessing officials under
 31 IC 6-1.1-35.2;

32 (3) the development or updating of detailed soil survey data by the
 33 United States Department of Agriculture or its successor agency;

34 (4) the updating of plat books; ~~and~~

35 (5) payments for the salary of permanent staff or for the contractual
 36 services of temporary staff who are necessary to assist county
 37 assessors, members of a county property tax assessment board of
 38 appeals, and assessing officials;

39 **(6) making annual adjustments under section 4.5 of this**
 40 **chapter; and**

41 **(7) the verification under 50 IAC 21-3-2 of sales disclosure**
 42 **forms forwarded to the county assessor under IC 6-1.1-5.5-3.**

43 (b) All counties shall use modern, detailed soil maps in the general
 44 reassessment of agricultural land.

45 (c) The county treasurer of each county shall, in accordance with
 46 IC 5-13-9, invest any money accumulated in the property reassessment
 47 fund. ~~until the money is needed to pay general reassessment expenses.~~
 48 Any interest received from investment of the money shall be paid into
 49 the property reassessment fund.

50 ~~(d) An appropriation under this section must be approved by the~~
 51 ~~fiscal body of the county after the review and recommendation of the~~

1 county assessor. However, in a county with an elected township
 2 assessor in every township, the county assessor does not review an
 3 appropriation under this section; and only the fiscal body must approve
 4 an appropriation under this section:

5 SECTION 11. IC 6-1.1-4-31 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 31. (a) The department
 7 of local government finance shall periodically check the conduct of:

- 8 (1) a general reassessment of property;
- 9 (2) **work required to be performed by local officials under 50**
 10 **IAC 21; and**
- 11 (3) **other property assessment activities in the county, as**
 12 **determined by the department.**

13 The department of local government finance may inform township
 14 assessors, county assessors, and the presidents of county councils in
 15 writing if its check reveals that the general reassessment ~~is~~ **or other**
 16 **property assessment activities are** not being properly conducted,
 17 **work required to be performed by local officials under 50 IAC 21**
 18 **is not being properly conducted**, or if property assessments ~~under the~~
 19 ~~general reassessment~~ are not being properly made.

20 (b) The failure of the department of local government finance to
 21 inform local officials under subsection (a) shall not be construed as an
 22 indication by the department that:

- 23 (1) the general reassessment ~~is~~ **or other property assessment**
 24 **activities are** being properly conducted;
- 25 (2) **work required to be performed by local officials under 50**
 26 **IAC 21 is being properly conducted**; or ~~that~~
- 27 (3) property assessments ~~under the general reassessment~~ are being
 28 properly made.

29 **(c) If the department of local government finance:**

- 30 (1) **determines under subsection (a) that a general reassessment**
 31 **or other assessment activities for a general reassessment year**
 32 **or any other year are not being properly conducted; and**

33 **(2) informs:**

- 34 **(A) the township assessor of each affected township;**
- 35 **(B) the county assessor; and**
- 36 **(C) the president of the county council;**

37 **in writing under subsection (a);**

38 **the department may order a state conducted assessment or**
 39 **reassessment under section 31.5 of this chapter to begin not less**
 40 **than sixty (60) days after the date of the notice under subdivision**
 41 **(2). If the department determines during the period between the**
 42 **date of the notice under subdivision (2) and the proposed date for**
 43 **beginning the state conducted assessment or reassessment that the**
 44 **general reassessment or other assessment activities for the general**
 45 **reassessment are being properly conducted, the department may**
 46 **rescind the order.**

47 **(d) If the department of local government finance:**

- 48 (1) **determines under subsection (a) that work required to be**
 49 **performed by local officials under 50 IAC 21 is not being**
 50 **properly conducted; and**

51 **(2) informs:**

1 **(A) the township assessor of each affected township;**
 2 **(B) the county assessor; and**
 3 **(C) the president of the county council;**
 4 **in writing under subsection (a);**
 5 **the department may conduct the work or contract to have the work**
 6 **conducted to begin not less than sixty (60) days after the date of the**
 7 **notice under subdivision (2). If the department determines during**
 8 **the period between the date of the notice under subdivision (2) and**
 9 **the proposed date for beginning the work or having the work**
 10 **conducted that work required to be performed by local officials**
 11 **under 50 IAC 21 is being properly conducted, the department may**
 12 **rescind the order.**

13 **(e) If the department of local government finance contracts to**
 14 **have work conducted under subsection (d), the department shall**
 15 **forward the bill for the services to the county and the county shall**
 16 **pay the bill under the same procedures that apply to county**
 17 **payments of bills for assessment or reassessment services under**
 18 **section 31.5 of this chapter.**

19 SECTION 12. IC 6-1.1-4-31.5 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE UPON PASSAGE]: **Sec. 31.5. (a) As used in this**
 22 **section, "assessment official" means any of the following:**

- 23 **(1) A county assessor.**
- 24 **(2) A township assessor.**
- 25 **(3) A township trustee-assessor.**

26 **(b) As used in this section, "department" refers to the**
 27 **department of local government finance.**

28 **(c) If the department makes a determination and informs local**
 29 **officials under section 31(c) of this chapter, the department may**
 30 **order a state conducted assessment or reassessment in the county**
 31 **subject to the time limitation in that subsection.**

32 **(d) If the department orders a state conducted assessment or**
 33 **reassessment in a county, the department shall assume the duties**
 34 **of the county's assessment officials. Notwithstanding sections 15**
 35 **and 17 of this chapter, an assessment official in a county subject to**
 36 **an order issued under this section may not assess property or have**
 37 **property assessed for the assessment or general reassessment. Until**
 38 **the state conducted assessment or reassessment is completed under**
 39 **this section, the assessment or reassessment duties of an assessment**
 40 **official in the county are limited to providing the department or a**
 41 **contractor of the department the support and information**
 42 **requested by the department or the contractor.**

43 **(e) Before assuming the duties of a county's assessment officials,**
 44 **the department shall transmit a copy of the department's order**
 45 **requiring a state conducted assessment or reassessment to the**
 46 **county's assessment officials, the county fiscal body, the county**
 47 **auditor, and the county treasurer. Notice of the department's**
 48 **actions must be published one (1) time in a newspaper of general**
 49 **circulation published in the county. The department is not required**
 50 **to conduct a public hearing before taking action under this section.**

51 **(f) Township and county officials in a county subject to an order**

1 issued under this section shall, at the request of the department or
 2 the department's contractor, make available and provide access to
 3 all:

- 4 (1) data;
- 5 (2) records;
- 6 (3) maps;
- 7 (4) parcel record cards;
- 8 (5) forms;
- 9 (6) computer software systems;
- 10 (7) computer hardware systems; and
- 11 (8) other information;

12 related to the assessment or reassessment of real property in the
 13 county. The information described in this subsection must be
 14 provided at no cost to the department or the contractor of the
 15 department. A failure to provide information requested under this
 16 subsection constitutes a failure to perform a duty related to an
 17 assessment or a general reassessment and is subject to
 18 IC 6-1.1-37-2.

19 (g) The department may enter into a contract with a professional
 20 appraising firm to conduct an assessment or reassessment under
 21 this section. If a county or a township located in the county entered
 22 into a contract with a professional appraising firm to conduct the
 23 county's assessment or reassessment before the department orders
 24 a state conducted assessment or reassessment in the county under
 25 this section, the contract:

- 26 (1) is as valid as if it had been entered into by the department;
- 27 and
- 28 (2) shall be treated as the contract of the department.

29 (h) After receiving the report of assessed values from the
 30 appraisal firm acting under a contract described in subsection (g),
 31 the department shall give notice to the taxpayer and the county
 32 assessor, by mail, of the amount of the assessment or reassessment.
 33 The notice of assessment or reassessment:

- 34 (1) is subject to appeal by the taxpayer under section 31.7 of
 35 this chapter; and
- 36 (2) must include a statement of the taxpayer's rights under
 37 section 31.7 of this chapter.

38 (i) The department shall forward a bill for services provided
 39 under a contract described in subsection (g) to the auditor of the
 40 county in which the state conducted reassessment occurs. The
 41 county shall pay the bill under the procedures prescribed by
 42 subsection (j).

43 (j) A county subject to an order issued under this section shall
 44 pay the cost of a contract described in subsection (g), without
 45 appropriation, from the county property reassessment fund. A
 46 contractor may periodically submit bills for partial payment of
 47 work performed under the contract. Notwithstanding any other
 48 law, a contractor is entitled to payment under this subsection for
 49 work performed under a contract if the contractor:

- 50 (1) submits to the department a fully itemized, certified bill in
 51 the form required by IC 5-11-10-1 for the costs of the work

- 1 performed under the contract;
 2 (2) obtains from the department:
 3 (A) approval of the form and amount of the bill; and
 4 (B) a certification that the billed goods and services have
 5 been received and comply with the contract; and
 6 (3) files with the county auditor:
 7 (A) a duplicate copy of the bill submitted to the department;
 8 (B) proof of the department's approval of the form and
 9 amount of the bill; and
 10 (C) the department's certification that the billed goods and
 11 services have been received and comply with the contract.

12 The department's approval and certification of a bill under
 13 subdivision (2) shall be treated as conclusively resolving the merits
 14 of a contractor's claim. Upon receipt of the documentation
 15 described in subdivision (3), the county auditor shall immediately
 16 certify that the bill is true and correct without further audit,
 17 publish the claim as required by IC 36-2-6-3, and submit the claim
 18 to the county executive. The county executive shall allow the claim,
 19 in full, as approved by the department, without further
 20 examination of the merits of the claim in a regular or special
 21 session that is held not less than three (3) days and not more than
 22 seven (7) days after the completion of the publication requirements
 23 under IC 36-2-6-3. Upon allowance of the claim by the county
 24 executive, the county auditor shall immediately issue a warrant or
 25 check for the full amount of the claim approved by the department.
 26 Compliance with this subsection constitutes compliance with
 27 IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and
 28 payment of a claim in compliance with this subsection is not subject
 29 to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not
 30 apply to a claim submitted under this subsection. IC 5-11-10-1.6(d)
 31 applies to a fiscal officer who pays a claim in compliance with this
 32 subsection.

33 (k) Notwithstanding IC 4-13-2, a period of seven (7) days is
 34 permitted for each of the following to review and act under
 35 IC 4-13-2 on a contract of the department entered into under this
 36 section:

- 37 (1) The commissioner of the Indiana department of
 38 administration.
 39 (2) The director of the budget agency.
 40 (3) The attorney general.

41 (l) If money in the county's property reassessment fund is
 42 insufficient to pay for an assessment or reassessment conducted
 43 under this section, the department may increase the tax rate and
 44 tax levy of the county's property reassessment fund to pay the cost
 45 and expenses related to the assessment or reassessment.

46 (m) The department or the contractor of the department shall use
 47 the land values determined under section 13.6 of this chapter for a
 48 county subject to an order issued under this section to the extent
 49 that the department or the contractor finds that the land values
 50 reflect the true tax value of land, as determined under this article
 51 and the rules of the department. If the department or the

1 contractor finds that the land values determined for the county
 2 under section 13.6 of this chapter do not reflect the true tax value
 3 of land, the department or the contractor shall determine land
 4 values for the county that reflect the true tax value of land, as
 5 determined under this article and the rules of the department.
 6 Land values determined under this subsection shall be used to the
 7 same extent as if the land values had been determined under
 8 section 13.6 of this chapter. The department or the contractor of
 9 the department shall notify the county's assessment officials of the
 10 land values determined under this subsection.

11 (n) A contractor of the department may notify the department if:

12 (1) a county auditor fails to:

13 (A) certify the contractor's bill;

14 (B) publish the contractor's claim;

15 (C) submit the contractor's claim to the county executive; or

16 (D) issue a warrant or check for payment of the contractor's
 17 bill;

18 as required by subsection (j) at the county auditor's first legal
 19 opportunity to do so;

20 (2) a county executive fails to allow the contractor's claim as
 21 legally required by subsection (j) at the county executive's first
 22 legal opportunity to do so; or

23 (3) a person or an entity authorized to act on behalf of the
 24 county takes or fails to take an action, including failure to
 25 request an appropriation, and that action or failure to act
 26 delays or halts progress under this section for payment of the
 27 contractor's bill.

28 (o) The department, upon receiving notice under subsection (n)
 29 from a contractor of the department, shall:

30 (1) verify the accuracy of the contractor's assertion in the
 31 notice that:

32 (A) a failure occurred as described in subsection (n)(1) or
 33 (n)(2); or

34 (B) a person or an entity acted or failed to act as described in
 35 subsection (n)(3); and

36 (2) provide to the treasurer of state the department's approval
 37 under subsection (j)(2)(A) of the contractor's bill with respect
 38 to which the contractor gave notice under subsection (n).

39 (p) Upon receipt of the department's approval of a contractor's
 40 bill under subsection (o), the treasurer of state shall pay the
 41 contractor the amount of the bill approved by the department from
 42 money in the possession of the state that would otherwise be
 43 available for distribution to the county, including distributions
 44 from the property tax replacement fund or distribution of
 45 admissions taxes or wagering taxes.

46 (q) The treasurer of state shall withhold from the money that
 47 would be distributed under IC 4-33-12-6, IC 4-33-13-5,
 48 IC 6-1.1-21-4(b), or any other law to a county described in a notice
 49 provided under subsection (n) the amount of a payment made by
 50 the treasurer of state to the contractor of the department under
 51 subsection (p). Money shall be withheld first from the money

1 payable to the county under IC 6-1.1-21-4(b) and then from all
2 other sources payable to the county.

3 (r) Compliance with subsections (n) through (q) constitutes
4 compliance with IC 5-11-10.

5 (s) IC 5-11-10-1.6(d) applies to the treasurer of state with respect
6 to the payment made in compliance with subsections (n) through
7 (q). This subsection and subsections (n) through (q) must be
8 interpreted liberally so that the state shall, to the extent legally
9 valid, ensure that the contractual obligations of a county subject to
10 this section are paid. Nothing in this section shall be construed to
11 create a debt of the state.

12 (t) The provisions of this section are severable as provided in
13 IC 1-1-1-8(b).

14 SECTION 13. IC 6-1.1-4-31.6 IS ADDED TO THE INDIANA
15 CODE AS A NEW SECTION TO READ AS FOLLOWS
16 [EFFECTIVE UPON PASSAGE]: **Sec. 31.6. (a) Subject to the other**
17 **requirements of this section, the department of local government**
18 **finance may:**

19 (1) negotiate an addendum to a contract referred to in section
20 31.5(g) of this chapter that is treated as a contract of the
21 department; or

22 (2) include provisions in a contract entered into by the
23 department under section 31.5(g) of this chapter;

24 to require the contractor of the department to represent the
25 department in appeals initiated under section 31.7 of this chapter
26 and to afford to taxpayers an opportunity to attend an informal
27 hearing.

28 (b) The purpose of the informal hearing referred to in subsection
29 (a) is to:

30 (1) discuss the specifics of the taxpayer's assessment or
31 reassessment;

32 (2) review the taxpayer's property record card;

33 (3) explain to the taxpayer how the assessment or reassessment
34 was determined;

35 (4) provide to the taxpayer information about the statutes,
36 rules, and guidelines that govern the determination of the
37 assessment or reassessment;

38 (5) note and consider objections of the taxpayer;

39 (6) consider all errors alleged by the taxpayer; and

40 (7) otherwise educate the taxpayer about:

41 (A) the taxpayer's assessment or reassessment;

42 (B) the assessment or reassessment process; and

43 (C) the assessment or reassessment appeal process under
44 section 31.7 of this chapter.

45 (c) Following an informal hearing referred to in subsection (b),
46 the contractor shall:

47 (1) make a recommendation to the department of local
48 government finance as to whether a change in the reassessment
49 is warranted; and

50 (2) if recommending a change under subdivision (1), provide to
51 the department a statement of:

- 1 (A) how the changed assessment or reassessment was
2 determined; and
- 3 (B) the amount of the changed assessment or reassessment.
- 4 (d) To preserve the right to appeal under section 31.7 of this
5 chapter, a taxpayer must initiate the informal hearing process by
6 notifying the department of local government finance or its
7 designee of the taxpayer's intent to participate in an informal
8 hearing referred to in subsection (b) not later than forty-five (45)
9 days after the department of local government finance gives notice
10 under section 31.5(h) of this chapter to taxpayers of the amount of
11 the reassessment.
- 12 (e) The informal hearings referred to in subsection (b) must be
13 conducted:
- 14 (1) in the county where the property is located; and
- 15 (2) in a manner determined by the department of local
16 government finance.
- 17 (f) The department of local government finance shall:
- 18 (1) consider the recommendation of the contractor under
19 subsection (c); and
- 20 (2) if the department accepts a recommendation that a change
21 in the assessment or reassessment is warranted, accept or
22 modify the recommended amount of the changed assessment or
23 reassessment.
- 24 (g) The department of local government finance shall send a
25 notice of the result of each informal hearing to:
- 26 (1) the taxpayer;
- 27 (2) the county auditor;
- 28 (3) the county assessor; and
- 29 (4) the township assessor of the township in which the property
30 is located.
- 31 (h) A notice under subsection (g) must:
- 32 (1) state whether the assessment or reassessment was changed
33 as a result of the informal hearing; and
- 34 (2) if the assessment or reassessment was changed as a result of
35 the informal hearing:
- 36 (A) indicate the amount of the changed assessment or
37 reassessment; and
- 38 (B) provide information on the taxpayer's right to appeal
39 under section 31.7 of this chapter.
- 40 (i) If the department of local government finance does not send
41 a notice under subsection (g) not later than two hundred seventy
42 (270) days after the date the department gives notice of the amount
43 of the assessment or reassessment under section 31.5(h) of this
44 chapter:
- 45 (1) the department may not change the amount of the
46 assessment or reassessment under the informal hearing process
47 described in this section; and
- 48 (2) the taxpayer may appeal the assessment or reassessment
49 under section 31.7 of this chapter.
- 50 (j) The department of local government finance may adopt rules
51 to establish procedures for informal hearings under this section.

1 **(k) Payment for an addendum to a contract under subsection**
 2 **(a)(1) is made in the same manner as payment for the contract**
 3 **under section 31.5(i) of this chapter.**

4 SECTION 14. IC 6-1.1-4-31.7 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: **Sec. 31.7. (a) As used in this**
 7 **section, "special master" refers to a person designated by the**
 8 **Indiana board under subsection (e).**

9 **(b) The notice of assessment or reassessment under section**
 10 **31.5(h) of this chapter is subject to appeal by the taxpayer to the**
 11 **Indiana board. The procedures and time limitations that apply to**
 12 **an appeal to the Indiana board of a determination of the**
 13 **department of local government finance do not apply to an appeal**
 14 **under this subsection. The Indiana board may establish applicable**
 15 **procedures and time limitations under subsection (l).**

16 **(c) In order to appeal under subsection (b), the taxpayer must:**

17 **(1) participate in the informal hearing process under section**
 18 **31.6 of this chapter;**

19 **(2) except as provided in section 31.6(i) of this chapter, receive**
 20 **a notice under section 31.6(g) of this chapter; and**

21 **(3) file a petition for review with the appropriate county**
 22 **assessor not later than thirty (30) days after:**

23 **(A) the date of the notice to the taxpayer under section**
 24 **31.6(g) of this chapter; or**

25 **(B) the date after which the department may not change the**
 26 **amount of the assessment or reassessment under the informal**
 27 **hearing process described in section 31.6 of this chapter.**

28 **(d) The Indiana board may develop a form for petitions under**
 29 **subsection (c) that outlines:**

30 **(1) the appeal process;**

31 **(2) the burden of proof; and**

32 **(3) evidence necessary to warrant a change to an assessment or**
 33 **reassessment.**

34 **(e) The Indiana board may contract with, appoint, or otherwise**
 35 **designate the following to serve as special masters to conduct**
 36 **evidentiary hearings and prepare reports required under**
 37 **subsection (g):**

38 **(1) Independent, licensed appraisers.**

39 **(2) Attorneys.**

40 **(3) Certified level two Indiana assessor-appraisers (including**
 41 **administrative law judges employed by the Indiana board).**

42 **(4) Other qualified individuals.**

43 **(f) Each contract entered into under subsection (e) must specify**
 44 **the appointee's compensation and entitlement to reimbursement**
 45 **for expenses. The compensation and reimbursement for expenses**
 46 **are paid from the county property reassessment fund.**

47 **(g) With respect to each petition for review filed under subsection**
 48 **(c), the special masters shall:**

49 **(1) set a hearing date;**

50 **(2) give notice of the hearing at least thirty (30) days before the**
 51 **hearing date, by mail, to:**

- 1 **(A) the taxpayer;**
 2 **(B) the department of local government finance;**
 3 **(C) the township assessor; and**
 4 **(D) the county assessor;**
 5 **(3) conduct a hearing and hear all evidence submitted under**
 6 **this section; and**
 7 **(4) make evidentiary findings and file a report with the Indiana**
 8 **board.**
 9 **(h) At the hearing under subsection (g):**
 10 **(1) the taxpayer shall present:**
 11 **(A) the taxpayer's evidence that the assessment or**
 12 **reassessment is incorrect;**
 13 **(B) the method by which the taxpayer contends the**
 14 **assessment or reassessment should be correctly determined;**
 15 **and**
 16 **(C) comparable sales, appraisals, or other pertinent**
 17 **information concerning valuation as required by the Indiana**
 18 **board; and**
 19 **(2) the department of local government finance shall present its**
 20 **evidence that the assessment or reassessment is correct.**
 21 **(i) The Indiana board may dismiss a petition for review filed**
 22 **under subsection (c) if the evidence and other information required**
 23 **under subsection (h)(1) is not provided at the hearing under**
 24 **subsection (g).**
 25 **(j) The township assessor and the county assessor may attend and**
 26 **participate in the hearing under subsection (g).**
 27 **(k) The Indiana board may:**
 28 **(1) consider the report of the special masters under subsection**
 29 **(g)(4);**
 30 **(2) make a final determination based on the findings of the**
 31 **special masters without:**
 32 **(A) conducting a hearing; or**
 33 **(B) any further proceedings; and**
 34 **(3) incorporate the findings of the special masters into the**
 35 **board's findings in resolution of the appeal.**
 36 **(l) The Indiana board may adopt rules under IC 4-22-2-37.1 to:**
 37 **(1) establish procedures to expedite:**
 38 **(A) the conduct of hearings under subsection (g); and**
 39 **(B) the issuance of determinations of appeals under**
 40 **subsection (k); and**
 41 **(2) establish deadlines:**
 42 **(A) for conducting hearings under subsection (g); and**
 43 **(B) for issuing determinations of appeals under subsection**
 44 **(k).**
 45 **(m) A determination by the Indiana board of an appeal under**
 46 **subsection (k) is subject to appeal to the tax court under**
 47 **IC 6-1.1-15.**
 48 SECTION 15. IC 6-1.1-5-15 IS AMENDED TO READ AS
 49 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) Except as
 50 provided in subsection (b), before an owner of real property
 51 demolishes, structurally modifies, or improves it at a cost of more than

1 five hundred dollars (\$500) for materials or labor, or both, the owner or
 2 the owner's agent shall file with **the area plan commission or**
 3 county assessor in the county where the property is located an
 4 assessment registration notice on a form prescribed by the department
 5 of local government finance.

6 (b) If the owner of the real property, or the person performing the
 7 work for the owner, is required to obtain a permit from an agency or
 8 official of the state or a political subdivision for the demolition,
 9 structural modification, or improvement, the owner or the person
 10 performing the work for the owner is not required to file an assessment
 11 registration notice.

12 (c) Each state or local government official or agency shall, before the
 13 tenth day of each month, deliver a copy of each permit described in
 14 subsection (b) to the assessor of the county in which the real property
 15 to be improved is situated. **Each area plan commission shall, before**
 16 **the tenth day of each month, deliver a copy of each assessment**
 17 **registration notice described in subsection (a) to the assessor of the**
 18 **county where the property is located.**

19 (d) Before the last day of each month, the county assessor shall
 20 distribute a copy of each assessment registration notice filed under
 21 subsection (a) or permit received under subsection (b) to the assessor
 22 of the township in which the real property to be demolished, modified,
 23 or improved is situated.

24 (e) A fee of five dollars (\$5) shall be charged by **the area plan**
 25 **commission or** the county assessor for the filing of the assessment
 26 registration notice. All fees collected ~~by the county assessor:~~ **under this**
 27 **subsection** shall be deposited in the county property reassessment fund.

28 (f) A township or county assessor shall immediately notify the county
 29 treasurer if the assessor discovers property that has been improved or
 30 structurally modified at a cost of more than five hundred dollars (\$500)
 31 and the owner of the property has failed to obtain the required building
 32 permit or to file an assessment registration notice.

33 (g) Any person who fails to:

34 (1) file the registration notice required by subsection (a); or

35 (2) obtain a building permit described in subsection (b);

36 before demolishing, structurally modifying, or improving real property
 37 is subject to a civil penalty of one hundred dollars (\$100). The county
 38 treasurer shall include the penalty on the person's property tax
 39 statement and collect it in the same manner as delinquent personal
 40 property taxes under IC 6-1.1-23. However, if a person files a late
 41 registration notice, the person shall pay the fee, if any, and the penalty
 42 to **the area plan commission or** the county assessor at the time the
 43 person files the late registration notice.

44 SECTION 16. IC 6-1.1-5.5-3 IS AMENDED TO READ AS
 45 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. **(a) For purposes of**
 46 **this section, "party" includes:**

47 **(1) a seller of property that is exempt under the seller's**
 48 **ownership; or**

49 **(2) a purchaser of property that is exempt under the**
 50 **purchaser's ownership;**

51 **from property taxes under IC 6-1.1-10.**

1 ~~(a)~~ **(b)** Before filing a conveyance document with the county auditor
 2 under IC 6-1.1-5-4, all the parties to the conveyance must complete and
 3 sign a sales disclosure form as prescribed by the department of local
 4 government finance under section 5 of this chapter. All the parties may
 5 sign one (1) form, or if all the parties do not agree on the information
 6 to be included on the completed form, each party may sign and file a
 7 separate form.

8 ~~(b)~~ **(c)** Except as provided in subsection ~~(c)~~; **(d)**, the auditor shall
 9 forward each sales disclosure form to the county assessor. The county
 10 assessor shall retain the forms for five (5) years. The county assessor
 11 shall forward the sales disclosure form data to the department of local
 12 government finance and the legislative services agency:

- 13 (1) before January 1, 2005, in an electronic format, if possible; and
- 14 (2) after December 31, 2004, in an electronic format specified
- 15 jointly by the department of local government finance and the
- 16 legislative services agency.

17 The county assessor shall forward a copy of the sales disclosure forms
 18 to the township assessors in the county. The forms may be used by the
 19 county assessing officials, the department of local government finance,
 20 and the legislative services agency for the purposes established in
 21 IC 6-1.1-4-13.6, sales ratio studies, equalization, adoption of rules
 22 under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized
 23 purpose.

24 ~~(c)~~ **(d)** In a county containing a consolidated city, the auditor shall
 25 forward the sales disclosure form to the appropriate township assessor.
 26 The township assessor shall forward the sales disclosure form to the
 27 department of local government finance and the legislative services
 28 agency:

- 29 (1) before January 1, 2005, in an electronic format, if possible; and
- 30 (2) after December 31, 2004, in an electronic format specified
- 31 jointly by the department of local government finance and the
- 32 legislative services agency.

33 The forms may be used by the county assessing officials, the
 34 department of local government finance, and the legislative services
 35 agency for the purposes established in IC 6-1.1-4-13.6, sales ratio
 36 studies, equalization, adoption of rules under IC 6-1.1-31-3 and
 37 IC 6-1.1-31-6, and any other authorized purpose.

38 ~~(d)~~ **(e)** If a sales disclosure form includes the telephone number or
 39 Social Security number of a party, the telephone number or Social
 40 Security number is confidential.

41 SECTION 17. IC 6-1.1-5.5-4.7, AS AMENDED BY P.L.1-2004,
 42 SECTION 10, AND AS AMENDED BY P.L.23-2004, SECTION 11,
 43 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 44 [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) The assessment training
 45 **and administration** fund is established for the purpose of receiving
 46 fees deposited under section 4 of this chapter. Money in *the* fund may
 47 be used by:

- 48 **(1)** the department of local government finance to cover expenses
- 49 incurred in the development and administration of programs for the
- 50 training of assessment officials and employees of the department,
- 51 including the examination and certification program required by

1 IC 6-1.1-35.5; The fund shall be administered by the treasurer of
2 state. or

3 **(2) the Indiana board to:**

4 **(A) conduct appeal activities; or**

5 **(B) pay for appeal services.**

6 ~~(b)~~ The expenses of administering the fund shall be paid from money
7 in the fund.

8 ~~(c)~~ **(b)** The treasurer of state shall invest the money in the fund not
9 currently needed to meet the obligations of the fund in the same manner
10 as other public money may be invested. ~~Interest that accrues from these~~
11 ~~investments shall be deposited into the fund.~~

12 ~~(d)~~ **(c)** Money in the fund at the end of a state fiscal year does not
13 revert to the state general fund.

14 SECTION 18. IC 6-1.1-5.5-5 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. The department of
16 local government finance shall prescribe a sales disclosure form for use
17 under this chapter. The form prescribed by the department of local
18 government finance must include at least the following information:

- 19 (1) The key number of the parcel (as defined in IC 6-1.1-8.5).
- 20 (2) Whether the entire parcel is being conveyed.
- 21 (3) The address of the property.
- 22 (4) The date of the execution of the form.
- 23 (5) The date the property was transferred.
- 24 (6) Whether the transfer includes an interest in land or
- 25 improvements, or both.
- 26 (7) Whether the transfer includes personal property.
- 27 (8) An estimate of any personal property included in the transfer.
- 28 (9) The name, ~~and~~ address, **and telephone number** of:
- 29 **(A) each transferor and transferee; and**
- 30 **(B) the person that prepared the form.**
- 31 (10) The mailing address to which the property tax bills or other
- 32 official correspondence should be sent.
- 33 (11) The ownership interest transferred.
- 34 (12) The classification of the property (as residential, commercial,
- 35 industrial, agricultural, vacant land, or other).
- 36 (13) The total price actually paid or required to be paid in exchange
- 37 for the conveyance, whether in terms of money, property, a service,
- 38 an agreement, or other consideration, but excluding tax payments
- 39 and payments for legal and other services that are incidental to the
- 40 conveyance.
- 41 (14) The terms of seller provided financing, such as interest rate,
- 42 points, type of loan, amount of loan, and amortization period, and
- 43 whether the borrower is personally liable for repayment of the loan.
- 44 (15) Any family or business relationship existing between the
- 45 transferor and the transferee.
- 46 (16) Other information as required by the department of local
- 47 government finance to carry out this chapter.

48 If a form under this section includes the telephone number or the Social
49 Security number of a party, the telephone number or the Social Security
50 number is confidential.

51 SECTION 19. IC 6-1.1-17-8 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) If the county
 2 board of tax adjustment determines that the maximum aggregate tax
 3 rate permitted within a political subdivision under IC 6-1.1-18 is
 4 inadequate, the county board shall, subject to the limitations prescribed
 5 in IC 6-1.1-19-2, file its written recommendations in duplicate with the
 6 county auditor. The board shall include with its recommendations:

- 7 (1) an analysis of the aggregate tax rate within the political
 8 subdivision;
- 9 (2) a recommended breakdown of the aggregate tax rate among the
 10 political subdivisions whose tax rates compose the aggregate tax
 11 rate within the political subdivision; and
- 12 (3) any other information which the county board considers
 13 relevant to the matter.

14 (b) The county auditor shall forward one (1) copy of the county
 15 board's recommendations to the department of local government
 16 finance and shall retain the other copy in the county auditor's office.
 17 The department of local government finance shall, in the manner
 18 prescribed in section 16 of this chapter, review the budgets **by fund**, tax
 19 rates, and tax levies of the political subdivisions described in subsection
 20 (a)(2).

21 SECTION 20. IC 6-1.1-17-13 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) ~~Except as~~
 23 ~~provided in subsection (b)~~; Ten (10) or more taxpayers **or one (1)**
 24 **taxpayer that owns property that represents at least ten percent**
 25 **(10%) of the taxable assessed valuation in the political subdivision**
 26 may initiate an appeal from the county board of tax adjustment's action
 27 on a political subdivision's budget by filing a statement of their
 28 objections with the county auditor. The statement must be filed not later
 29 than ten (10) days after the publication of the notice required by section
 30 12 of this chapter. The statement shall specifically identify the
 31 provisions of the budget and tax levy to which the taxpayers object.
 32 The county auditor shall forward the statement, with the budget, to the
 33 department of local government finance.

34 (b) This subsection applies to provisions of the budget and tax levy
 35 of a political subdivision:

- 36 (1) against which an objection petition was filed under section 5(b)
 37 of this chapter; and
- 38 (2) that were not changed by the fiscal body of the political
 39 subdivision after hearing the objections:

40 A group of ten (10) or more taxpayers may not initiate an appeal under
 41 subsection (a) against provisions of the budget and tax levy if less than
 42 seventy-five percent (75%) of the objecting taxpayers with respect to
 43 the objection petition filed under section 5(b) of this chapter were
 44 objecting taxpayers with respect to the objection statement filed under
 45 subsection (a) against those provisions:

46 (b) The department of local government finance shall:

- 47 (1) subject to subsection (c), give notice to the first ten (10)
 48 taxpayers whose names appear on the petition, or to the
 49 taxpayer that owns property that represents at least ten
 50 percent (10%) of the taxable assessed valuation in the political
 51 subdivision in the case of an appeal initiated by that taxpayer,

1 of the date, time, and location of the hearing on the objection
 2 statement filed under subsection (a);

3 (2) conduct a hearing on the objection; and

4 (3) after the hearing:

5 (A) consider the testimony and evidence submitted at the
 6 hearing; and

7 (B) mail the department's:

8 (i) written determination; and

9 (ii) written statement of findings;

10 to the first ten (10) taxpayers whose names appear on the
 11 petition, or to the taxpayer that owns property that
 12 represents at least ten percent (10%) of the taxable assessed
 13 valuation in the political subdivision in the case of an appeal
 14 initiated by that taxpayer.

15 The department of local government finance may hold the hearing
 16 in conjunction with the hearing required under IC 6-1.1-17-16.

17 (c) The department of local government finance shall provide
 18 written notice to:

19 (1) the first ten (10) taxpayers whose names appear on the
 20 petition; or

21 (2) the taxpayer that owns property that represents at least ten
 22 percent (10%) of the taxable assessed valuation in the political
 23 subdivision, in the case of an appeal initiated by that taxpayer;

24 at least five (5) days before the date of the hearing.

25 SECTION 21. IC 6-1.1-17-16 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) Subject to the
 27 limitations and requirements prescribed in this section, the department
 28 of local government finance may revise, reduce, or increase a political
 29 subdivision's budget **by fund**, tax rate, or tax levy which the
 30 department reviews under section 8 or 10 of this chapter.

31 (b) Subject to the limitations and requirements prescribed in this
 32 section, the department of local government finance may review, revise,
 33 reduce, or increase the budget **by fund**, tax rate, or tax levy of any of
 34 the political subdivisions whose tax rates compose the aggregate tax
 35 rate within a political subdivision whose budget, tax rate, or tax levy is
 36 the subject of an appeal initiated under this chapter.

37 (c) Except as provided in ~~subsection~~ **subsections (j) and (k)**, before
 38 the department of local government finance reviews, revises, reduces,
 39 or increases a political subdivision's budget **by fund**, tax rate, or tax
 40 levy under this section, the department must hold a public hearing on
 41 the budget, tax rate, and tax levy. The department of local government
 42 finance shall hold the hearing in the county in which the political
 43 subdivision is located. The department of local government finance
 44 may consider the budgets **by fund**, tax rates, and tax levies of several
 45 political subdivisions at the same public hearing. At least five (5) days
 46 before the date fixed for a public hearing, the department of local
 47 government finance shall give notice of the time and place of the
 48 hearing and of the budgets **by fund**, levies, and tax rates to be
 49 considered at the hearing. The department of local government finance
 50 shall publish the notice in two (2) newspapers of general circulation
 51 published in the county. However, if only one (1) newspaper of general

1 circulation is published in the county, the department of local
2 government finance shall publish the notice in that newspaper.

3 (d) Except as provided in subsection (i), IC 6-1.1-19, or
4 IC 6-1.1-18.5, the department of local government finance may not
5 increase a political subdivision's budget **by fund**, tax rate, or tax levy
6 to an amount which exceeds the amount originally fixed by the political
7 subdivision. The department of local government finance shall give the
8 political subdivision written notification specifying any revision,
9 reduction, or increase the department proposes in a political
10 subdivision's tax levy or tax rate. The political subdivision has one (1)
11 week from the date the political subdivision receives the notice to
12 provide a written response to the department of local government
13 finance's Indianapolis office specifying how to make the required
14 reductions in the amount budgeted ~~for each office or department: by~~
15 **fund**. The department of local government finance shall make
16 reductions as specified in the political subdivision's response if the
17 response is provided as required by this subsection and sufficiently
18 specifies all necessary reductions. The department of local government
19 finance may make a revision, a reduction, or an increase in a political
20 subdivision's budget only ~~in the total amounts budgeted for each office~~
21 ~~or department within each of the major budget classifications prescribed~~
22 ~~by the state board of accounts: by fund~~.

23 (e) The department of local government finance may not approve a
24 levy for lease payments by a city, town, county, library, or school
25 corporation if the lease payments are payable to a building corporation
26 for use by the building corporation for debt service on bonds and if:

- 27 (1) no bonds of the building corporation are outstanding; or
- 28 (2) the building corporation has enough legally available funds on
29 hand to redeem all outstanding bonds payable from the particular
30 lease rental levy requested.

31 (f) The department of local government finance shall certify its action
32 to:

- 33 (1) the county auditor; ~~and~~
- 34 (2) the political subdivision if the department acts pursuant to an
35 appeal initiated by the political subdivision;
- 36 **(3) the first ten (10) taxpayers whose names appear on a**
37 **petition filed under section 13 of this chapter; and**
- 38 **(4) a taxpayer that owns property that represents at least ten**
39 **percent (10%) of the taxable assessed valuation in the political**
40 **subdivision.**

41 (g) The following may petition for judicial review of the final
42 determination of the department of local government finance under
43 subsection (f):

- 44 (1) If the department acts under an appeal initiated by a political
45 subdivision, the political subdivision.
- 46 (2) If the department acts under an appeal initiated by taxpayers
47 under section 13 of this chapter, a taxpayer who signed the petition
48 under that section.
- 49 (3) If the department acts under an appeal initiated by the county
50 auditor under section 14 of this chapter, the county auditor.
- 51 **(4) A taxpayer that owns property that represents at least ten**

1 **percent (10%) of the taxable assessed valuation in the political**
 2 **subdivision.**

3 The petition must be filed in the tax court not more than forty-five (45)
 4 days after the department certifies its action under subsection (f).

5 (h) The department of local government finance is expressly directed
 6 to complete the duties assigned to it under this section not later than
 7 February 15th of each year for taxes to be collected during that year.

8 (i) Subject to the provisions of all applicable statutes, the department
 9 of local government finance may increase a political subdivision's tax
 10 levy to an amount that exceeds the amount originally fixed by the
 11 political subdivision if the increase is:

12 (1) requested in writing by the officers of the political subdivision;

13 (2) either:

14 (A) based on information first obtained by the political
 15 subdivision after the public hearing under section 3 of this
 16 chapter; or

17 (B) results from an inadvertent mathematical error made in
 18 determining the levy; and

19 (3) published by the political subdivision according to a notice
 20 provided by the department.

21 (j) The department of local government finance shall annually review
 22 the budget **by fund** of each school corporation not later than April 1.
 23 The department of local government finance shall give the school
 24 corporation written notification specifying any revision, reduction, or
 25 increase the department proposes in the school corporation's budget **by**
 26 **fund**. A public hearing is not required in connection with this review
 27 of the budget.

28 **(k) The department of local government finance may hold a**
 29 **hearing under subsection (c) only if the notice required in**
 30 **IC 6-1.1-17-12 is published at least ten (10) days before the date of**
 31 **the hearing.**

32 SECTION 22. IC 6-1.1-21-4 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year
 34 the department shall allocate from the property tax replacement fund an
 35 amount equal to the sum of:

36 (1) each county's total eligible property tax replacement amount for
 37 that year; plus

38 (2) the total amount of homestead tax credits that are provided
 39 under IC 6-1.1-20.9 and allowed by each county for that year; plus

40 (3) an amount for each county that has one (1) or more taxing
 41 districts that contain all or part of an economic development district
 42 that meets the requirements of section 5.5 of this chapter. This
 43 amount is the sum of the amounts determined under the following
 44 STEPS for all taxing districts in the county that contain all or part
 45 of an economic development district:

46 STEP ONE: Determine that part of the sum of the amounts under
 47 section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable
 48 to the taxing district.

49 STEP TWO: Divide:

50 (A) that part of the subdivision (1) amount that is attributable
 51 to the taxing district; by

- 1 (B) the STEP ONE sum.
 2 STEP THREE: Multiply:
 3 (A) the STEP TWO quotient; times
 4 (B) the taxes levied in the taxing district that are allocated to a
 5 special fund under IC 6-1.1-39-5.
- 6 (b) Except as provided in subsection (e), between March 1 and
 7 August 31 of each year, the department shall distribute to each county
 8 treasurer from the property tax replacement fund one-half (1/2) of the
 9 estimated distribution for that year for the county. Between September
 10 1 and December 15 of that year, the department shall distribute to each
 11 county treasurer from the property tax replacement fund the remaining
 12 one-half (1/2) of each estimated distribution for that year. The amount
 13 of the distribution for each of these periods shall be according to a
 14 schedule determined by the property tax replacement fund board under
 15 section 10 of this chapter. The estimated distribution for each county
 16 may be adjusted from time to time by the department to reflect any
 17 changes in the total county tax levy upon which the estimated
 18 distribution is based.
- 19 (c) On or before December 31 of each year or as soon thereafter as
 20 possible, the department shall make a final determination of the amount
 21 which should be distributed from the property tax replacement fund to
 22 each county for that calendar year. This determination shall be known
 23 as the final determination of distribution. The department shall
 24 distribute to the county treasurer or receive back from the county
 25 treasurer any deficit or excess, as the case may be, between the sum of
 26 the distributions made for that calendar year based on the estimated
 27 distribution and the final determination of distribution. The final
 28 determination of distribution shall be based on the auditor's abstract
 29 filed with the auditor of state, adjusted for postabstract adjustments
 30 included in the December settlement sheet for the year, and such
 31 additional information as the department may require.
- 32 (d) All distributions provided for in this section shall be made on
 33 warrants issued by the auditor of state drawn on the treasurer of state.
 34 If the amounts allocated by the department from the property tax
 35 replacement fund exceed in the aggregate the balance of money in the
 36 fund, then the amount of the deficiency shall be transferred from the
 37 state general fund to the property tax replacement fund, and the auditor
 38 of state shall issue a warrant to the treasurer of state ordering the
 39 payment of that amount. However, any amount transferred under this
 40 section from the general fund to the property tax replacement fund
 41 shall, as soon as funds are available in the property tax replacement
 42 fund, be retransferred from the property tax replacement fund to the
 43 state general fund, and the auditor of state shall issue a warrant to the
 44 treasurer of state ordering the replacement of that amount.
- 45 (e) Except as provided in subsection (†) **(g) and subject to**
 46 **subsection (h)**, the department shall not distribute under subsection (b)
 47 and section 10 of this chapter **a percentage, determined by the**
 48 **department, of the money attributable to the county's property**
 49 **reassessment fund that would otherwise be distributed to the county**
 50 **under subsection (b) and section 10 of this chapter** if:
 51 (1) by the date the distribution is scheduled to be made, the county

- 1 auditor has not sent a certified statement required to be sent by that
 2 date under IC 6-1.1-17-1 to the department of local government
 3 finance;
- 4 (2) by the deadline under IC 36-2-9-20, the county auditor has not
 5 transmitted data as required under that section; or
- 6 (3) the county assessor has not forwarded to the department of local
 7 government finance the duplicate copies of all approved exemption
 8 applications required to be forwarded by that date under
 9 IC 6-1.1-11-8(a);
- 10 **(4) the county assessor has not forwarded to the department of**
 11 **local government finance in a timely manner sales disclosure**
 12 **forms under IC 6-1.1-5.5-3(b);**
- 13 **(5) local assessing officials have not provided information to the**
 14 **department of local government finance in a timely manner**
 15 **under IC 4-10-13-5(b);**
- 16 **(6) the county auditor has not paid a bill for services under**
 17 **IC 6-1.1-4-31.5 to the department of local government finance**
 18 **in a timely manner;**
- 19 **(7) the elected township assessors in the county, the elected**
 20 **township assessors and the county assessor, or the county**
 21 **assessor has not transmitted to the department of local**
 22 **government finance by October 1 of the year in which the**
 23 **distribution is scheduled to be made the data for all townships**
 24 **in the county required to be transmitted under**
 25 **IC 6-1.1-4-25(b);**
- 26 **(8) the county has not established a parcel index numbering**
 27 **system under 50 IAC 12-15-1 in a timely manner; or**
- 28 **(9) a township or county official has not provided other**
 29 **information to the department of local government finance in**
 30 **a timely manner as required by the department.**
- 31 (f) Except as provided in subsection (i) if the elected township
 32 assessors in the county; the elected township assessors and the county
 33 assessor; or the county assessor has not transmitted to the department
 34 of local government finance by October 1 of the year in which the
 35 distribution is scheduled to be made the data for all townships in the
 36 county required to be transmitted under IC 6-1.1-4-25(b); the state
 37 board or the department shall not distribute under subsection (b) and
 38 section 10 of this chapter a part of the money attributable to the
 39 county's property reassessment fund. The portion not distributed is the
 40 amount that bears the same proportion to the total potential distribution
 41 as the number of townships in the county for which data was not
 42 transmitted by October 1 as described in this section bears to the total
 43 number of townships in the county.
- 44 (g) (f) Except as provided in subsection (i), money not distributed
 45 for the reasons stated in subsection (e)(1) and (e)(2) (e) shall be
 46 distributed to the county when
- 47 (1) the county auditor sends to the department of local government
 48 finance the certified statement required to be sent under
 49 IC 6-1.1-17-1; and
- 50 (2) the county assessor forwards to the department of local
 51 government finance the approved exemption applications required

1 to be forwarded under IC 6-1.1-11-8(a);
 2 with respect to which the failure to send or forward resulted in the
 3 withholding of the distribution under subsection (e):

4 (h) Money not distributed under subsection (f) shall be distributed to
 5 the county when the elected township assessors in the county, the
 6 elected township assessors and the county assessor, or the county
 7 assessor transmits to the department of local government finance the
 8 data required to be transmitted under IC 6-1.1-4-25(b) with respect to
 9 which the failure to transmit resulted in the withholding of the
 10 distribution under subsection (f): **determines that the failure to:**

11 **(1) provide information; or**

12 **(2) pay a bill for services;**

13 **has been corrected.**

14 (i) (g) The restrictions on distributions under ~~subsections~~ **subsection**
 15 (e) ~~and (f)~~ do not apply if the department of local government finance
 16 determines that

17 (1) the failure of:

18 (A) a county auditor to send a certified statement; or

19 (B) a county assessor to forward copies of all approved
 20 exemption applications;

21 as described in subsection (e); or

22 (2) the failure of an official to transmit data as described in
 23 subsection (f);

24 **to:**

25 **(1) provide information; or**

26 **(2) pay a bill for services;**

27 **in a timely manner** is justified by unusual circumstances.

28 (h) **The department shall give the county auditor at least thirty**
 29 **(30) days notice in writing before withholding a distribution under**
 30 **subsection (e).**

31 (i) **Money not distributed for the reason stated in subsection**
 32 **(e)(6) may be deposited in the fund established by**
 33 **IC 6-1.1-5.5-4.7(a). Money deposited under this subsection is not**
 34 **subject to distribution under subsection (f).**

35 SECTION 23. IC 6-1.1-21.8-4, AS AMENDED BY HEA
 36 1288-2005, SECTION 93, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The board shall determine the
 38 terms of a loan made under this chapter. However, the interest charged
 39 on the loan may not exceed the percent of increase in the United States
 40 Department of Labor Consumer Price Index for Urban Wage Earners
 41 and Clerical Workers during the most recent twelve (12) month period
 42 for which data is available as of the date that the unit applies for a loan
 43 under this chapter. In the case of a qualified taxing unit that is not a
 44 school corporation or a public library (as defined in IC 36-12-1-5), a
 45 loan must be repaid not later than ten (10) years after the date on which
 46 the loan was made. In the case of a qualified taxing unit that is a school
 47 corporation or a public library (as defined in IC 36-12-1-5), a loan must
 48 be repaid not later than eleven (11) years after the date on which the
 49 loan was made. A school corporation or a public library (as defined in
 50 IC 36-12-1-5) is not required to begin making payments to repay a loan
 51 until after June 30, 2004. The total amount of all the loans made under

1 this chapter may not exceed twenty-eight million dollars (\$28,000,000).
 2 The board may disburse the proceeds of a loan in installments.
 3 However, not more than one-third (1/3) of the total amount to be loaned
 4 under this chapter may be disbursed at any particular time without the
 5 review of the budget committee and the approval of the budget agency.

6 (b) A loan made under this chapter shall be repaid only from:

7 (1) property tax revenues of the qualified taxing unit that are
 8 subject to the levy limitations imposed by IC 6-1.1-18.5 or
 9 IC 6-1.1-19; or

10 **(2) in the case of a school corporation, the school corporation's**
 11 **debt service fund; or**

12 ~~(2)~~ **(3)** any other source of revenues (other than property taxes) that
 13 is legally available to the qualified taxing unit.

14 The payment of any installment of principal constitutes a first charge
 15 against the property tax revenues described in subdivision (1) that are
 16 collected by the qualified taxing unit during the calendar year the
 17 installment is due and payable.

18 (c) The obligation to repay a loan made under this chapter is not a
 19 basis for the qualified taxing unit to obtain an excessive tax levy under
 20 IC 6-1.1-18.5 or IC 6-1.1-19.

21 (d) Whenever the board receives a payment on a loan made under this
 22 chapter, the board shall deposit the amount paid in the counter-cyclical
 23 revenue and economic stabilization fund.

24 (e) This section does not prohibit a qualified taxing unit from
 25 repaying a loan made under this chapter before the date specified in
 26 subsection (a) if a taxpayer described in section 3 of this chapter
 27 resumes paying property taxes to the qualified taxing unit.

28 (f) Interest accrues on a loan made under this chapter until the date
 29 the board receives notice from the county auditor that the county has
 30 adopted at least one (1) of the following:

31 (1) The county adjusted gross income tax under IC 6-3.5-1.1.

32 (2) The county option income tax under IC 6-3.5-6.

33 (3) The county economic development income tax under
 34 IC 6-3.5-7.

35 Notwithstanding subsection (a), interest may not be charged on a loan
 36 made under this chapter if a tax described in this subsection is adopted
 37 before a qualified taxing unit applies for the loan.

38 SECTION 24. IC 6-1.1-28-1 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Each county shall
 40 have a county property tax assessment board of appeals composed of
 41 individuals who are at least eighteen (18) years of age and
 42 knowledgeable in the valuation of property. In addition to the county
 43 assessor, only one (1) other individual who is an officer or employee of
 44 a county or township may serve on the board of appeals in the county
 45 in which the individual is an officer or employee. **Subject to**
 46 **subsections (d) and (e)**, the fiscal body of the county shall appoint two
 47 (2) individuals to the board. At least one (1) of the members appointed
 48 by the county fiscal body must be a certified level two
 49 assessor-appraiser. **Subject to subsections (d) and (e)**, the board of
 50 commissioners of the county shall appoint two (2) freehold members so
 51 that not more than three (3) of the five (5) members may be of the same

1 political party and so that at least three (3) of the five (5) members are
 2 residents of the county. At least one (1) of the members appointed by
 3 the board of county commissioners must be a certified level two
 4 assessor-appraiser. ~~However,~~ If the county assessor is a certified level
 5 two assessor-appraiser, the board of county commissioners may waive
 6 the requirement in this subsection that one (1) of the freehold members
 7 appointed by the board of county commissioners must be a certified
 8 level two assessor-appraiser. A person appointed to a property tax
 9 assessment board of appeals may serve on the property tax assessment
 10 board of appeals of another county at the same time. The members of
 11 the board shall elect a president. The employees of the county assessor
 12 shall provide administrative support to the property tax assessment
 13 board of appeals. The county assessor is a voting member of the
 14 property tax assessment board of appeals. The county assessor shall
 15 serve as secretary of the board. The secretary shall keep full and
 16 accurate minutes of the proceedings of the board. A majority of the
 17 board that includes at least one (1) certified level two assessor-appraiser
 18 constitutes a quorum for the transaction of business. Any question
 19 properly before the board may be decided by the agreement of a
 20 majority of the whole board.

21 (b) The county assessor, county fiscal body, and board of county
 22 commissioners may agree to waive the requirement in subsection (a)
 23 that not more than three (3) of the five (5) members of the county
 24 property tax assessment board of appeals may be of the same political
 25 party if it is necessary to waive the requirement due to the absence of
 26 certified level two Indiana assessor-appraisers:

- 27 (1) who are willing to serve on the board; and
- 28 (2) whose political party membership status would satisfy the
 29 requirement in subsection (c)(1).

30 (c) If the board of county commissioners is not able to identify at
 31 least two (2) prospective freehold members of the county property tax
 32 assessment board of appeals who are:

- 33 (1) residents of the county;
- 34 (2) certified level two Indiana assessor-appraisers; and
- 35 (3) willing to serve on the county property tax assessment board of
 36 appeals;

37 it is not necessary that at least three (3) of the five (5) members of the
 38 county property tax assessment board of appeals be residents of the
 39 county.

40 **(d) Except as provided in subsection (e), the term of a member of**
 41 **the county property tax assessment board of appeals appointed**
 42 **under subsection (a):**

- 43 **(1) is one (1) year; and**
- 44 **(2) begins January 1.**

45 **(e) If:**

- 46 **(1) the term of a member of the county property tax assessment**
 47 **board of appeals appointed under subsection (a) expires;**
- 48 **(2) the member is not reappointed; and**
- 49 **(3) a successor is not appointed;**

50 **the term of the member continues until a successor is appointed.**

51 SECTION 25. IC 6-1.1-31.5-2 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) **Subject to**
 2 **section 3.5(e) of this chapter**, the department shall adopt rules under
 3 IC 4-22-2 to prescribe computer specification standards and for the
 4 certification of:

- 5 (1) ~~computer operating systems~~;
- 6 (2) ~~(1)~~ computer software;
- 7 (3) ~~(2)~~ software providers;
- 8 (4) ~~(3)~~ computer service providers; and
- 9 (5) ~~(4)~~ computer equipment providers.

10 (b) The rules of the department shall provide for:

- 11 (1) the effective and efficient administration of assessment laws;
- 12 (2) the prompt updating of assessment data;
- 13 (3) the administration of information contained in the sales
 14 disclosure form, as required under IC 6-1.1-5.5; and
- 15 (4) other information necessary to carry out the administration of
 16 the property tax assessment laws.

17 (c) After December 31, 1998, **subject to section 3.5(e) of this**
 18 **chapter**, a county may contract only for computer software and with
 19 software providers, computer service providers, and equipment
 20 providers that are certified by the department under the rules described
 21 in subsection (a).

22 (d) The initial rules under this section must be adopted under
 23 IC 4-22-2 before January 1, 1998.

24 SECTION 26. IC 6-1.1-31.5-3.5, AS AMENDED BY HEA
 25 1137-2005, SECTION 28, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2005]: Sec. 3.5. (a) **Until the system described**
 27 **in subsection (e) is implemented**, each county shall maintain a state
 28 certified computer system that has the capacity to:

- 29 (1) process and maintain assessment records;
- 30 (2) process and maintain standardized property tax forms;
- 31 (3) process and maintain standardized property assessment notices;
- 32 (4) maintain complete and accurate assessment records for the
 33 county; and
- 34 (5) process and compute complete and accurate assessments in
 35 accordance with Indiana law.

36 The county assessor with the recommendation of the township
 37 assessors shall select the computer system used by township assessors
 38 and the county assessor in the county except in a county with an elected
 39 township assessor in every township. In a county with an elected
 40 township assessor in every township, the elected township assessors
 41 shall select a computer system based on a majority vote of the township
 42 assessors in the county.

43 (b) All information on ~~the~~ a computer system **referred to in**
 44 **subsection (a)** shall be readily accessible to:

- 45 (1) township assessors;
- 46 (2) the county assessor;
- 47 (3) the department of local government finance; and
- 48 (4) members of the county property tax assessment board of
 49 appeals.

50 (c) The certified system **referred to in subsection (a)** used by the
 51 counties must be:

1 (1) compatible with the data export and transmission requirements
 2 in a standard format prescribed by the office of technology
 3 established by IC 4-13.1-2-1 and approved by the legislative
 4 services agency; ~~The certified system must be and~~

5 (2) maintained in a manner that ensures prompt and accurate
 6 transfer of data to the department of local government finance and
 7 the legislative services agency.

8 (d) All standardized property forms and notices on the certified
 9 computer system **referred to in subsection (a)** shall be maintained by
 10 the township assessor and the county assessor in an accessible location
 11 and in a format that is easily understandable for use by persons of the
 12 county.

13 (e) **The department shall adopt rules before July 1, 2006, for the**
 14 **establishment of:**

15 (1) **a uniform and common property tax management system**
 16 **among all counties that:**

17 (A) **includes a combined mass appraisal and county auditor**
 18 **system integrated with a county treasurer system; and**

19 (B) **replaces the computer system referred to in subsection**
 20 **(a); and**

21 (2) **a schedule for implementation of the system referred to in**
 22 **subdivision (1) structured to result in the implementation of the**
 23 **system in all counties with respect to an assessment date:**

24 (A) **determined by the department; and**

25 (B) **specified in the rule.**

26 (f) **The department shall appoint an advisory committee to assist**
 27 **the department in the formulation of the rules referred to in**
 28 **subsection (e). The department shall determine the number of**
 29 **members of the committee. The committee:**

30 (1) **must include at least:**

31 (A) **one (1) township assessor;**

32 (B) **one (1) county assessor;**

33 (C) **one (1) county auditor; and**

34 (D) **one (1) county treasurer; and**

35 (2) **shall meet at times and locations determined by the**
 36 **department.**

37 (g) **Each member of the committee appointed under subsection**
 38 **(f) who is not a state employee is not entitled to the minimum salary**
 39 **per diem provided by IC 4-10-11-2.1(b). The member is entitled to**
 40 **reimbursement for traveling expenses as provided under**
 41 **IC 4-13-1-4 and other expenses actually incurred in connection**
 42 **with the member's duties as provided in the state policies and**
 43 **procedures established by the Indiana department of**
 44 **administration and approved by the budget agency.**

45 (h) **Each member of the committee appointed under subsection**
 46 **(f) who is a state employee is entitled to reimbursement for**
 47 **traveling expenses as provided under IC 4-13-1-4 and other**
 48 **expenses actually incurred in connection with the member's duties**
 49 **as provided in the state policies and procedures established by the**
 50 **Indiana department of administration and approved by the budget**
 51 **agency.**

1 **(i) The department shall report to the budget committee in**
 2 **writing the department's estimate of the cost of implementation of**
 3 **the system referred to in subsection (e).**

4 SECTION 27. IC 6-1.1-31.5-5 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The department
 6 may revoke a certification issued under section 2 of this chapter for at
 7 least three (3) years if it determines:

8 (1) that information given by an applicant was false; or

9 (2) the product, provider, or service certified does not meet the
 10 minimum requirements of the department.

11 (b) If a certification is revoked, any Indiana contract that the provider
 12 has is void and the contractor may not receive any additional funds
 13 under the contract.

14 (c) An individual at least eighteen (18) years of age who resides in
 15 Indiana and any corporation that satisfies the requirements of this
 16 chapter and the rules of the department may be certified as:

17 (1) a software ~~or computer operating system~~ provider;

18 (2) a service provider; or

19 (3) a computer equipment provider.

20 (d) A person may not sell, buy, trade, exchange, option, lease, or rent
 21 ~~computer operating systems~~; software, computer equipment, or service
 22 to a county under this chapter without a certification from the
 23 department.

24 (e) A contract for computer software, computer equipment, a
 25 computer operating program or computer system service providers
 26 under this chapter must contain a provision specifying that the contract
 27 is void if the provider's certification is revoked.

28 (f) The department may not limit the number of systems or providers
 29 certified by this chapter so long as the system or provider meets the
 30 specifications or standards of the department.

31 SECTION 28. IC 6-1.1-31.7-3.5 IS ADDED TO THE INDIANA
 32 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 33 **[EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) Subject to subsection**
 34 **(b), an individual or a firm that is:**

35 **(1) an appraiser; or**

36 **(2) a technical advisor under IC 6-1.1-4;**

37 **in a county may not serve as a tax representative of any taxpayer**
 38 **with respect to property subject to property taxes in the county**
 39 **before the county property tax assessment board of appeals of that**
 40 **county or the Indiana board of tax review.**

41 **(b) Subsection (a) does not apply to tax representation in a county**
 42 **with respect to an issue of a taxpayer if:**

43 **(1) the individual or firm representing the taxpayer is no longer**
 44 **under contract as an appraiser or a technical advisor in the**
 45 **county as described in subsection (a); and**

46 **(2) the individual or firm was not directly involved with the**
 47 **issue of the taxpayer while under contract.**

48 SECTION 29. IC 20-14-13-10 IS AMENDED TO READ AS
 49 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. **Notwithstanding**
 50 **IC 6-1.1-17**, the department of local government finance may approve
 51 appropriations from the capital projects fund only if the appropriations

1 conform to a plan that has been adopted and approved in compliance
2 with this chapter.

3 SECTION 30. IC 21-2-15-9 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. **Notwithstanding**
5 **IC 6-1.1-17**, the department of local government finance may approve
6 appropriations from the capital projects fund only if they conform to a
7 plan that has been adopted in compliance with this chapter.

8 SECTION 31. P.L.245-2003, SECTION 37, IS AMENDED TO
9 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:
10 SECTION 37. (a) Notwithstanding IC 6-1.1-5.5-4(a), a person filing a
11 sales disclosure form under IC 6-1.1-5.5 with respect to a sale of real
12 property that occurs:

13 (1) after December 31, 2003; and

14 (2) before January 1, ~~2006~~; **2012**;

15 shall pay a fee of ten dollars (\$10) to the county auditor.

16 (b) Notwithstanding IC 6-1.1-5.5-4(b) and IC 6-1.1-5.5-12(d), fifty
17 percent (50%) of the revenue collected under:

18 (1) subsection (a); and

19 (2) IC 6-1.1-5.5-12;

20 for the period referred to in subsection (a) shall be deposited in the
21 county sales disclosure fund established under IC 6-1.1-5.5-4.5. Ten
22 percent (10%) of the revenue **collected before July 1, 2005**, shall be
23 transferred to the treasurer of state for deposit in the assessment training
24 **and administration** fund established under IC 6-1.1-5.5-4.7. Forty
25 percent (40%) of the revenue **collected before July 1, 2005**, shall be
26 transferred to the treasurer of state for deposit in the state general fund.
27 **Fifty percent (50%) of the revenue collected after June 30, 2005,**
28 **shall be transferred to the assessment training and administration**
29 **fund established under IC 6-1.1-5.5-4.7.**

30 (c) The department of local government finance may provide training
31 of assessment officials and employees of the department through the
32 Indiana chapter of the International Association of Assessing Officers
33 on various dates and at various locations in Indiana.

34 (d) This SECTION expires January 1, ~~2007~~; **2012**.

35 SECTION 32. [EFFECTIVE UPON PASSAGE] (a)
36 **Notwithstanding subsection (b) or the amendments to**
37 **IC 6-1.1-4-4.5 by this act, county assessors, township assessors, and**
38 **township trustee assessors shall:**

39 (1) **verify sales disclosure forms forwarded to the county**
40 **assessor under IC 6-1.1-5.5-3; and**

41 (2) **proceed with other duties under 50 IAC 21;**

42 **so that the completion of those actions is accomplished on a**
43 **schedule that is as close as possible to the schedules for completion**
44 **of those actions under 50 IAC 21 that applied before the**
45 **amendment of IC 6-1.1-4-4.5 by this act.**

46 (b) **Notwithstanding 50 IAC 21-3-2(b), the department of local**
47 **government finance shall notify each county assessor of a deadline**
48 **for:**

49 (1) **the determination of annual adjustments in the county**
50 **under 50 IAC 21-3-2 for the 2006 assessment date; and**

51 (2) **the submission of the annual adjustments to the department**

1 for review and certification under IC 6-1.1-4-4.5, as amended
2 by this act.

3 (c) This SECTION expires January 1, 2008.

4 SECTION 33. [EFFECTIVE UPON PASSAGE] (a) The definitions
5 in IC 6-1.1-1 apply throughout this SECTION.

6 (b) As used in this SECTION, "taxpayer" means a nonprofit
7 corporation that is an owner of land and improvements:

8 (1) that were granted an exemption under IC 6-1.1-10 from
9 property taxes first due and payable in 2001;

10 (2) that were owned by a sorority and used by the sorority to
11 carry out its purposes during the period relevant to the
12 determination of exemption from property taxes under
13 IC 6-1.1-10-16 or IC 6-1.1-10-24 for the assessment dates in
14 2002 and 2003;

15 (3) for which a property tax liability was imposed for property
16 taxes first due and payable in 2003 and 2004 that in total
17 exceeded sixty thousand dollars (\$60,000); and

18 (4) that would have qualified for an exemption under
19 IC 6-1.1-10-16 or IC 6-1.1-10-24 from property taxes first due
20 and payable in 2003 and 2004 if the owner had complied with
21 the filing requirements for the exemption in a timely manner.

22 (c) The land and improvements described in subsection (b) are
23 exempt from property taxes first due and payable in 2003 and
24 2004, notwithstanding that the taxpayer failed to make a timely
25 application for the exemption for those years.

26 (d) The taxpayer may file claims with the county auditor for a
27 refund for the amounts paid toward property taxes on the land and
28 improvements described in subsection (b) that were billed to the
29 taxpayer for property taxes first due and payable in 2003 and 2004.
30 The claim must be filed as set forth in IC 6-1.1-26-1(1) through
31 IC 6-1.1-26-1(3). The claims must present sufficient facts for the
32 county auditor to determine:

33 (1) whether the claimant meets the qualifications described in
34 subsection (b); and

35 (2) the amount that should be refunded to the taxpayer.

36 (e) Upon receiving a claim filed under this SECTION, the county
37 auditor shall determine whether the claim is correct. If the county
38 auditor determines that the claim is correct, the county auditor
39 shall submit the claim under IC 6-1.1-26-3 to the county board of
40 commissioners for review. The only grounds for disallowing the
41 claim under IC 6-1.1-26-4 are that the claimant is not a person that
42 meets the qualifications described in subsection (b) or that the
43 amount claimed is not the amount due to the taxpayer. If the claim
44 is allowed, the county auditor shall, without an appropriation being
45 required, issue a warrant to the claimant payable from the county
46 general fund for the amount due the claimant under this
47 SECTION. The amount of the refund must equal the amount of the
48 claim allowed. Notwithstanding IC 6-1.1-26-5, no interest is payable
49 on the refund.

50 (f) This SECTION expires December 31, 2008.

51 SECTION 34. [EFFECTIVE UPON PASSAGE] (a) As used in this

1 SECTION, "assessment date" has the meaning set forth in
2 IC 6-1.1-1-2.

3 (b) Notwithstanding IC 6-1.1-4-4.5, as amended by this act:

4 (1) for the property tax assessment of agricultural land for the
5 assessment date in 2005 and 2006, the statewide agricultural
6 land base rate value of eight hundred eighty dollars (\$880) per
7 acre is substituted for the statewide agricultural land base rate
8 value of one thousand fifty dollars (\$1,050) per acre in the real
9 property assessment guidelines of the department of local
10 government finance that apply for those assessment dates; and
11 (2) IC 6-1.1-4-4.5(e), as added by this act, does not apply with
12 respect to the property tax assessment of agricultural land for
13 the assessment date in 2006.

14 (c) This SECTION expires January 1, 2008.

15 SECTION 35. [EFFECTIVE UPON PASSAGE] (a) The definitions
16 in IC 6-1.1-1 apply throughout this SECTION.

17 (b) As used in this SECTION, "taxpayer" means a nonprofit
18 corporation that is an owner of land and improvements:

19 (1) that were:

20 (A) owned and occupied by the taxpayer during the period
21 preceding the assessment date in 1999 and continuing
22 through the date that this SECTION is effective; and

23 (B) used to prepare and create a soccer facility to provide
24 youths with the opportunity to play supervised and organized
25 soccer against other youths;

26 (2) for which the property tax liability imposed for property
27 taxes first due and payable in 2000, 2001, 2002, 2003, and 2004
28 exceeded thirty-three thousand dollars (\$33,000), in total,
29 which has been paid by the taxpayer;

30 (3) that would have qualified for an exemption under
31 IC 6-1.1-10 from property taxes first due and payable in 2000,
32 2001, 2002, 2003, and 2004 if the taxpayer had complied with
33 the filing requirements for the exemption in a timely manner;
34 and

35 (4) that have been granted an exemption under IC 6-1.1-10
36 from property taxes first due and payable in 2005.

37 (c) Land and improvements described in subsection (b) are
38 exempt under IC 6-1.1-10-16 from property taxes first due and
39 payable in 2003 and 2004, notwithstanding that the taxpayer failed
40 to make a timely application for the exemption for those years.

41 (d) The taxpayer may file claims with the county auditor for a
42 refund for the amounts paid toward property taxes on land and
43 improvements described in subsection (b) that were billed to the
44 taxpayer for property taxes first due and payable in 2003 and 2004.
45 The claims must be filed as set forth in IC 6-1.1-26-1(1) through
46 IC 6-1.1-26-1(3). The claims must present sufficient facts for the
47 county auditor to determine whether the claimant is a person that
48 meets the qualifications described in subsection (b) and the amount
49 that should be refunded to the taxpayer.

50 (e) Upon receiving a claim filed under this SECTION, the county
51 auditor shall determine whether the claim is correct. If the county

1 auditor determines that the claim is correct, the county auditor
2 shall submit the claim under IC 6-1.1-26-4 to the county board of
3 commissioners for review. The only grounds for disallowing the
4 claim under IC 6-1.1-26-4 are that the claimant is not a person that
5 meets the qualifications described in subsection (b) or that the
6 amount claimed is not the amount due to the taxpayer. If the claim
7 is allowed, the county auditor shall, without an appropriation being
8 required, issue a warrant to the claimant payable from the county
9 general fund for the amount due the claimant under this
10 SECTION. The amount of the refund must equal the amount of the
11 claim allowed. Notwithstanding IC 6-1.1-26-5, no interest is payable
12 on the refund.

13 (f) This SECTION expires December 31, 2007.

14 SECTION 36. [EFFECTIVE UPON PASSAGE] (a) The definitions
15 in IC 6-1.1-1 apply throughout this SECTION.

16 (b) A religious institution may file an application under
17 IC 6-1.1-11 before May 11, 2005, for exemption of one (1) or more
18 parcels of real property for property taxes first due and payable in
19 2001 and 2002 if:

20 (1) the religious institution did not file an application under
21 IC 6-1.1-11 for exemption of the real property with respect to
22 property taxes first due and payable in 2001 or 2002;

23 (2) the religious institution acquired the real property after
24 December 31, 1998; and

25 (3) the real property was exempt from property taxes for
26 property taxes first due and payable in 2000.

27 (c) If a religious institution files an exemption application under
28 subsection (b):

29 (1) the exemption application is subject to review and action
30 by:

31 (A) the county property tax assessment board of appeals; and

32 (B) the department of local government finance; and

33 (2) the exemption determination made under subdivision (1) is
34 subject to appeal;

35 in the same manner that would have applied if an application for
36 exemption had been timely filed in 2000 and 2001.

37 (d) If an exemption application filed under subsection (b) is
38 approved, the religious institution may file a claim under
39 IC 6-1.1-26-1 with the county auditor for a refund for any payment
40 of property taxes first due and payable in 2001 and for any
41 payment of property taxes first due and payable in 2002, including
42 any paid interest and penalties, with respect to the exempt
43 property.

44 (e) Upon receiving a claim for a refund filed under subsection (d),
45 the county auditor shall determine whether the claim is correct. If
46 the county auditor determines that the claim is correct, the auditor
47 shall, without an appropriation being required, issue a warrant to
48 the claimant payable from the county general fund for the amount
49 of the refund due the claimant. Interest is not payable on the
50 refund.

51 (f) If an exemption application filed under subsection (b) is

1 approved, the county treasurer shall forgive the interest and
 2 penalties charged to the religious institution for the exempt
 3 property in 2001 and 2002 to the extent of the approved
 4 exemptions.

5 (g) This SECTION expires January 1, 2006.

6 SECTION 37. [EFFECTIVE UPON PASSAGE] (a) The definitions
 7 in IC 6-1.1-1 apply throughout this SECTION.

8 (b) A religious institution may file an application under
 9 IC 6-1.1-11 before August 1, 2005, for exemption of one (1) or more
 10 parcels of real property for property taxes first due and payable in
 11 2004 and 2005 if:

12 (1) the religious institution did not file an application under
 13 IC 6-1.1-11 for exemption of the real property with respect to
 14 property taxes first due and payable in 2004 or 2005;

15 (2) the religious institution acquired the real property after
 16 December 31, 1999, for charitable or religious purposes;

17 (3) it is determined that the real property is exempt or would
 18 have been exempt from property taxes for property taxes first
 19 due and payable after December 31, 1999; and

20 (4) the religious institution:

21 (A) has occupied the real property for the years described in
 22 subdivision (1); and

23 (B) has used the real property for its religious or charitable
 24 purposes in the years described in subdivision (1).

25 (c) If a religious institution files an exemption application under
 26 subsection (b):

27 (1) the exemption application is subject to review and action
 28 by:

29 (A) the county property tax assessment board of appeals; and

30 (B) the department of local government finance; and

31 (2) the exemption determination made under subdivision (1) is
 32 subject to appeal;

33 in the same manner that would have applied if an application for
 34 exemption had been timely filed in 2003 and 2004.

35 (d) The religious institution may file a claim under IC 6-1.1-26-1
 36 with the county auditor for a refund for any payment of property
 37 taxes first due and payable in 2004 and 2005, including any paid
 38 interest and penalties, with respect to the exempt property if:

39 (1) an exemption application filed under subsection (b) is
 40 approved; and

41 (2) the religious institution has paid any property taxes in 2004
 42 and 2005 attributable to the exempt property.

43 (e) Upon receiving a claim for a refund filed under subsection (d),
 44 the county auditor shall determine whether the claim is correct. If
 45 the county auditor determines that the claim is correct, the auditor
 46 shall, without an appropriation being required, issue a warrant to
 47 the claimant payable from the county general fund for the amount
 48 of the refund due the claimant. Interest is not payable on the
 49 refund.

50 (f) If:

51 (1) the religious institution incurred property tax liabilities in

1 any combination of 2004 or 2005 because of the failure to
2 properly apply for a property tax exemption for the religious
3 institution's real property described in subsection (a); and
4 (2) an exemption application filed under subsection (b) is
5 approved;

6 the county treasurer of the county in which the real property is
7 located shall forgive the property taxes, penalties, and interest
8 charged to the religious institution for the exempt property in any
9 combination of 2004 or 2005.

10 (g) This SECTION expires January 1, 2006.

11 SECTION 38. [EFFECTIVE UPON PASSAGE] (a) The definitions
12 in IC 6-1.1-1 apply throughout this SECTION.

13 (b) For purposes of this SECTION, "eligible entity" means a
14 nonprofit entity established for the purpose of retaining and
15 preserving land and water for their natural characteristics.

16 (c) An eligible entity may file an application under IC 6-1.1-11
17 before August 1, 2005, for exemption of one (1) or more parcels of
18 real property for property taxes first due and payable in 2001 and
19 2002 if:

20 (1) the eligible entity filed an application under any statute for
21 exemption of the real property with respect to property taxes
22 first due and payable in 2001 and 2002; and

23 (2) it is determined that the real property would have been
24 eligible for exemption from property taxes for property taxes
25 first due and payable in 2001 and 2002 if IC 6-1.1-10-16(c)(3)
26 had been in effect for those years.

27 (d) If an eligible entity files an exemption application under
28 subsection (c):

29 (1) the exemption application is subject to review and action
30 by:

31 (A) the county property tax assessment board of appeals; and

32 (B) the department of local government finance; and

33 (2) the exemption determination made under subdivision (1) is
34 subject to appeal;

35 in the same manner that applies to other exemption applications.

36 (e) The eligible entity may file a claim under IC 6-1.1-26-1 with
37 the county auditor for a refund for any payment of property taxes
38 first due and payable in 2001 and 2002, including any paid interest
39 and penalties, with respect to the exempt property if:

40 (1) an exemption application filed under subsection (c) is
41 approved; and

42 (2) the eligible entity has paid any property taxes in 2001 and
43 2002 attributable to the exempt property.

44 (f) Upon receiving a claim for a refund filed under subsection (e),
45 the county auditor shall determine whether the claim is correct. If
46 the county auditor determines that the claim is correct, the auditor
47 shall, without an appropriation being required, issue a warrant to
48 the claimant payable from the county general fund for the amount
49 of the refund due the claimant. Interest is not payable on the
50 refund.

51 (g) This SECTION expires January 1, 2006.

1 SECTION 39. [EFFECTIVE UPON PASSAGE] (a) The definitions
2 in IC 6-1.1-12.1 apply throughout this SECTION.

3 (b) With respect to an application filed to claim a deduction
4 under IC 6-1.1-12.1-5.4 for new manufacturing equipment or new
5 research and development equipment for an assessment date in
6 2003, if the department of local government finance has not issued
7 notification before June 1, 2005, of its determination to approve,
8 deny, or alter the amount of the deduction claimed, the amount of
9 the deduction allowed under IC 6-1.1-12.1-5.4 is the amount of the
10 deduction allowed in calculating the tax statement issued to the
11 taxpayer under IC 6-1.1-22-8.

12 (c) Subject to subsection (f), if subsection (b) applies:

13 (1) the property owner; or

14 (2) the county auditor with whom the application was filed;
15 may appeal the amount of the deduction allowed in calculating the
16 tax statement under IC 6-1.5-5.

17 (d) With respect to an application filed to claim a deduction
18 under IC 6-1.1-12.1-5.4 for:

19 (1) new manufacturing equipment or new research and
20 development equipment for an assessment date in 2004; or

21 (2) new manufacturing equipment, new research and
22 development equipment, new logistical distribution equipment,
23 or new information technology equipment for an assessment
24 date in 2005;

25 the amount of the deduction allowed under IC 6-1.1-12.1-5.4 is the
26 amount of the deduction allowed in calculating the tax statement
27 issued to the taxpayer under IC 6-1.1-22-8.

28 (e) Subject to subsection (f), if subsection (d) applies, the property
29 owner may appeal the amount of the deduction allowed in
30 calculating the tax statement by filing an appeal under
31 IC 6-1.1-15-1, except that the request for a preliminary conference
32 must be filed with the county auditor.

33 (f) An appeal initiated under subsection (c) or (e):

34 (1) for an assessment date in 2003 or 2004 must be initiated not
35 later than the later of:

36 (A) July 14, 2005; or

37 (B) forty-five (45) days after the issuance of the tax
38 statement; and

39 (2) for an assessment date in 2005 must be initiated not later
40 than forty-five (45) days after the issuance of the tax statement.

41 (g) The county auditor shall:

42 (1) mail a notice to each property owner who has filed a
43 deduction application subject to this SECTION advising the
44 property owner of the provisions of this SECTION for
45 approval and appeal of deductions; and

46 (2) mail the notice under subdivision (1):

47 (A) before June 1, 2005, to a property owner who has filed a
48 deduction application for an assessment date in 2003 or 2004;
49 and

50 (B) on or before the date that the tax statement is issued
51 under IC 6-1.1-22-8 to a property owner who has filed a

1 **deduction application for an assessment date in 2005.**
2 SECTION 40. [EFFECTIVE JULY 1, 2005] **(a) The term of a**
3 **member of the county property tax assessment board of appeals as**
4 **of the effective date of this act expires December 31, 2005.**
5 **(b) This SECTION expires January 1, 2006.**
6 SECTION 41. [EFFECTIVE JULY 1, 2005] **IC 6-1.1-5.5-3,**
7 **IC 6-1.1-5.5-4, and IC 6-1.1-5.5-5, all as amended by this act, apply**
8 **only to sales disclosure forms for conveyances after June 30, 2005.**
9 SECTION 42. **An emergency is declared for this act.**
 (Reference is to ESB 327 as reprinted March 29, 2005.)

Conference Committee Report
on
Engrossed Senate Bill 327

Signed by:

Senator Weatherwax
Chairperson

Representative Espich

Senator Hume

Representative Grubb

Senate Conferees

House Conferees